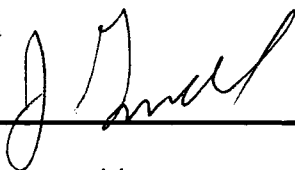


REPORT

DATE: May 5, 2005
TO: Regional Council
FROM: Charlotte Pienkos, Government Affairs Analyst
Phone: (213) 236-1811 E-Mail: pienkos@scag.ca.gov
SUBJECT: State Transportation Legislation

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION: Adopt or approve positions recommended by the Transportation and Communications Committee

SUMMARY:

On April 7th, the TCC requested staff bring forward the key transportation bills currently under consideration at the Legislature for review and positions. In response to that direction, this report surveys transportation proposals from Governor Schwarzenegger, Assembly Democrats, and Senate Democrats, in addition to two container fees bills for the Ports of Los Angeles and Long Beach and by request, three bills featuring a general obligation bond measure, the organization of the San Diego County Transportation Agency board, and high occupancy vehicle lanes. The TCC was presented today with the following materials and will recommend positions to the Regional Council.

BACKGROUND:

The Governor's "GoCalifornia" Package

AB 850

AUTHOR: Canciamilla (D)

TITLE: Toll Road Agreements

LOCATION: Assembly Transportation Committee

HEARING: 04/25/2005 1:30 pm

SUGGESTED POSITION: Support

- Authorizes Caltrans to enter into 35-year franchise agreements with public and private entities or consortia to develop toll roads, including dedicated truck lanes
- Prohibits the collection of tolls on high occupancy vehicles (HOV) lanes
- Permits the collection of tolls after the termination of a franchise agreement period, subject to approval of the California Transportation Commission
- Requires the state to reimburse the private entity for projected revenue losses if the state makes improvements in a corridor deemed in competition with the toll facilities
- Does not convert existing free lanes into toll lanes

Notes: The adopted 2005 SCAG State and Federal Legislative Program (Legislative Program) supports the use of public-private partnerships and other innovative financing mechanisms. The adopted 2004 Regional Transportation Plan (RTP) supports user fee-supported project financing

for major regional investments like dedicated truck lanes. AB 850's limitation to new construction mirrors the language of the RTP.

ACA 4X

AUTHOR: Keene (R)

TITLE: State Finances

LOCATION: Assembly Budget Process Committee

HEARING: None scheduled.

SUGGESTED POSITION: Support the provisions related to Proposition 42 if amended; no position on budget reform or Proposition 98 provisions

- Places a constitutional amendment before the voters to 1) provide ongoing spending authority in the event of a late budget; 2) make across-the-board spending cuts to prevent General Fund spending from exceeding revenues; 3) change the Proposition 98 minimum funding guarantee for K-14 education; and 4) repeal the authority to suspend Proposition 42 transfers
- Extends the repayment of previously borrowed Proposition 42 funds for fifteen years without an inflationary factor
- Authorizes the state to bond the repayment obligation to generate immediate proceeds to fund transportation projects

Notes: The Legislative Program advocates a constitutional amendment to protect Proposition 42 revenues from reallocation to the General Fund. Similarly, the RTP calls for a constitutional amendment to "ensure Proposition 42 revenue is available when needed." ACA 4X has the Governor's support and would provide the constitutional fix transportation stakeholders have sought for two years, but comes with a price in the form of a likely Proposition 42 suspension in Fiscal Year 2006-2007 unless Governor Schwarzenegger and the Legislature agree to dedicate other revenues, such as those collected in the recent tax amnesty period, to transportation. Furthermore, the fifteen-year repayment does not account for inflation. Support for the firewall must be tempered by these shortcomings. An amendment providing an inflationary factor and protection against a FY 06-07 suspension is needed.

Assembly Democrats' Transportation Proposal

AB: No assigned bill numbers

AUTHOR: Likely to include Assembly Speaker Fabian Nunez, Assembly Majority Leader Dario Frommer, Assembly Transportation Committee Chair Jenny Oropeza, and Assembly Budget Committee Chair John Laird

TITLE, LOCATION, HEARING: Not available

SUGGESTED POSITION: Watch and provide comments

- Eliminates the 11-cent state sales tax on gasoline currently dedicated to transportation projects by Proposition 42
- Raises the state general sales tax by a quarter of a cent, with revenues earmarked for future road projects
- Places a \$10 billion bond on the November 2006 ballot, paid for by gradually raising the motor vehicles fuel tax in stages by 4 cents
- Uses bond proceeds to repay money borrowed from transportation funds in recent years and to pay for the Bay Bridge cost overruns; no word yet on the repayment timeline or repayment with interest

Notes: Assembly Democrats say their proposal, called "Building Opportunity," will invest \$53 billion in new transportation infrastructure projects over the next 30 years. Critics have analogized Building Opportunity to the Legislature's attempt to deregulate electrical power, in which the Legislature cut utility rates and issued bonds that were then repaid through surcharges on future utility bills.

By eliminating the 11-cent sales tax on gasoline, the proposal would essentially repeal Proposition 42, which dedicated these revenues to transportation projects. Notwithstanding the possible objection of voters who passed Proposition 42 just three years ago, the proposal would replace this dedicated sales tax with a combination of increased general sales and motor vehicle fuel taxes. In this shift is the seed of policy change: the 11-cent sales tax on gasoline is more directly linked to transportation consumption and the notion of user-pays than is the general sales tax on everything else. Speaker Nunez's office suggests the general sales tax is a reasonable source of revenue because everyone benefits from a healthy transportation system and the advent of hybrid vehicles will gradually reduce both sales tax on gasoline and motor vehicle fuel tax receipts.

Lastly, the RTP favors the commitment of motor vehicle fuel tax revenues to repay debt instruments issued to raise up-front capital for transportation projects. In this regard, the Assembly Democrats' proposal is somewhat consistent with the RTP. The RTP, however, goes further by contemplating a larger increase in the motor vehicle fuel tax and its use for pay-as-you-go projects.

In total, the Assembly Democrats' proposal represents a policy departure for SCAG but could benefit transportation by repaying borrowed Proposition 42 funds and increasing revenues. Significant debate of the proposal is anticipated throughout the budget negotiations. A position is premature until additional details, such as the nature of the bond, are available.

Senate Democrats' Proposal

SB 1024

AUTHOR: Perata (D)

TITLE: Seismic Improvements: Bond Measure

LOCATION: Senate Transportation and Housing Committee

HEARING: Pending

SUGGESTED POSITION: Watch and provide comments

- Enacts the Safe Facilities, Improved Mobility, and Clean Air Bond Act of 2005 to authorize \$7,688,000,000 in state general obligation bonds
- \$2.3 billion for Proposition 42 loan repayment with interest
- \$2.363 billion for Safe Facilities, entailing \$1.363 (47% of the cost overrun) for the construction the self-anchored suspension (SAS) replacement east span of the San Francisco-Oakland Bay Bridge and \$1 billion for levee roads for flood management
- \$2.5 billion for California Ports Infrastructure, Security and Air Quality Improvement (payable in matching grants)
- Authorizes Caltrans to use bond funds to reimburse other state transportation accounts for costs associated with a re-bid of the SAS contract

000107

Notes: See below.

SB 172

AUTHOR: Torlakson (D)

TITLE: Seismic Retrofit Projects

LOCATION: Senate Appropriations Committee

HEARING: Pending

SUGGESTED POSITION: Watch and provide comments

- Authorizes the Bay Area Toll Authority (BATA) to increase tolls by \$1 and raise \$1.875 billion for the purpose of completing the San Francisco-Oakland Bay Bridge (53% of the cost overrun)
- Consolidates all four dollars of toll revenue under BATA's management so BATA could refinance the toll streams and create additional revenue usable for future overruns without raising the tolls again

Notes: Transportation stakeholders have faced serious difficulties in recent years as dedicated transportation funds have been shifted to the state's General Fund. The need to stabilize transportation funding is urgent. In the past, SCAG has strongly supported efforts to protect Proposition 42 funding. SB 1024's early repayment with interest of \$2.3 billion in borrowed Transportation Investment Fund dollars signals a welcome and growing awareness in the Legislature that transportation funds cannot be diverted indefinitely without negative consequences, but must instead be repaid fairly and soon.

Teamed with SB 172's \$1 increase in Bay Area tolls, SB 1024 also demonstrates an understanding of Southern California's concern that Bay Bridge cost overruns should not unfairly impact Southern California's projects. Likewise, the bill acknowledges the need for goods movement infrastructure improvements in California's major trade corridors. SCAG is a strong proponent of infrastructure improvements to speed the passage of freight away from the Ports of Los Angeles and Long Beach, the third largest port complex in the world, and mitigate the traffic congestion and air pollution that reduces Southern Californians mobility and quality of life.

However, neither the Legislative Program nor the RTP expresses support for the issuance of general obligation bonds for transportation infrastructure projects. Many questions remain about the effect of the \$7.7 billion bond on the General Fund, the advisability of using general obligation bonds to long-term transportation planning, and the nature of the required match for the ports, infrastructure, security and air quality grants.

As with the Assembly Democrats' proposal, SB 1024 represents a policy departure for SCAG but could benefit transportation by repaying borrowed Proposition 42 funds and increasing revenues for ports infrastructure. Significant debate of the proposals is anticipated throughout the budget negotiations.

Ports of Los Angeles (POLA) and Long Beach (POLB)

AB 1406

AUTHOR: Karnette (D)

TITLE: Ports and Harbors: Freight Security Fee

000108

LOCATION: Assembly Transportation Committee

HEARING: 04/25/2005 1:30 pm

SUGGESTED POSITION: Watch and provide comments

On and after January 1, 2007:

- Imposes a fee of \$10 per intermodal freight container on every freight container processed through every port or harbor in the state, including POLA and POLB
- Requires the fee to be paid to the marine terminal operator processing the container by the person contracting for shipment of the container
- Requires each marine terminal operator in the state that processes freight containers to transmit the fees and certain related information to the Office of Homeland Security (OHS) on or before the 10th business day of each month
- Uses fees to establish a grant program to fund proposals from public or private entities to improve freight security at the state's ports and harbors.
- set forth a statement of legislative intent to authorize OHS to issue revenue bonds funded with revenue derived from imposition of the fee to generate additional revenue for the purposes

Notes: Related to then Senator Karnette's September 19, 2001 preprint of SB 1, which proposed the creation of the Southern California Freight Management Agency (SCFMA) to collect a "container facility charge" on each container brought into California south of and including Port Hueneme. SCFMA was also empowered to enter into design-build contracts, contract with railroads, and issue bonds. A statewide program, AB 1406 makes no guarantee funds will be returned to the ports from which the fees are collected. Until the completion of the Port and Modal Elasticity Study this summer, SCAG does not possess the necessary data to determine whether the proposed \$10 fee is adequate, increasable, or likely to adversely affect port migration.

SB 760

AUTHOR: Lowenthal (D)

TITLE: Ports: Congestion Relief: Security Enhancement

LOCATION: Senate Second Reading

SUGGESTED POSITION: Watch and provide comments

- Imposes on each shipping container processed at POLA or POLB a fee of \$30 per twenty-foot equivalent unit (TEU), payable to the port by the marine terminal operator processing the container
- Requires the ports to retain 1/3 of the funds derived from imposition of the fee and transmit the remaining 2/3 in the amount of 1/2 to the California Transportation Commission (CTC) and 1/2 to the South Coast Air Quality Management District
- Requires CTC to use the funds received under these provisions to alleviate congestion on the highways serving the ports by improving the rail system that transports shipments from and to those ports and the on-dock rail facilities at those ports
- Prohibits CTC from using the funds to construct, maintain, or improve highways
- Requires CTC to consult with the transportation commissions for the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura in the process for selecting projects for funding
- Requires the ports to use the funds retained as specified above exclusively for the purpose of funding projects to improve the security of the ports, including the screening of shipping containers

- Requires the ports to consult with the United States Coast Guard, the federal Department of Homeland Security, the Office of Homeland Security, and other state and federal agencies that may assist the ports in determining which projects are best suited to protecting the ports and their surrounding communities
- Requires the South Coast Air Quality Management District (SCAQMD) to use the funds to mitigate environmental pollution caused by the movement of cargo to and from the ports via commercial motor vehicles, ocean-going vessels, and rail

Notes: SB 760 favors rail over roads, omitting at least one modality of SCAG's Goods Movement Action Plan. As with AB 1406, until the completion of the Port and Modal Elasticity Study this summer, SCAG does not possess the necessary data to evaluate the port fee. The bill does not include regional transportation planning agencies among those organizations with which the ports must consult. Lastly, SCAQMD may be unable to employ some mitigation measures pre-empted by the state and federal governments.

Miscellaneous Bills

SB 601

AUTHOR: Soto (D)

TITLE: Build California Bond Act of 2006

LOCATION: Senate Transportation and Housing Committee

HEARING: Pending

SUGGESTED POSITION: No position

- Enacts the Build California Bond Act of 2006 to authorize \$3 billion in state general obligation bonds for the construction of highway and public transportation projects that are significant for the state, reduce congestion, provide for safety, and facilitate the movement of goods into, through, and out of state

Notes: Included in this report at the request of the Regional Council. Like Senator Perata's SB 1024, SB 601 is a straight general obligation bond measure, a funding strategy with no expressed SCAG policy support. Because Senator Perata, the President Pro Tempore of the Senate, has introduced SB 1024, Senator Soto has agreed not to pursue this bill.

AB 1552

AUTHOR: La Suer (R)

TITLE: San Diego Consolidated Transportation Agency

LOCATION: Assembly Transportation Committee

HEARING: 04/18/2005 1:30 pm

SUGGESTED POSITION: No position

- Provides that a supervisor that represents a district that is substantially an unincorporated area shall also be appointed to the board
- Provide that when the chair of the San Diego County Board of Supervisors is from a district that is substantially an unincorporated area and is appointed the representative to the board, a supervisor that represents a district that is substantially an incorporated area shall also be appointed to the board

- Provides that the county vote on the board shall remain with the chair, but when a weighted vote is used the vote shall be divided equally between the two members
- Provides county vote and the full weighted vote shall transfer to the sole member present if the other member is absent during a board vote.

Notes: Included in this report at the request of the Regional Council. SCAG traditionally does not comment on the organization of other agencies' boards.

AB 426

AUTHOR: Bogh (R)

TITLE: HOV Lanes

LOCATION: Assembly Second Reading File

RECOMMENDED POSITION: Oppose

- Requires Caltrans to convert all high-occupancy vehicle (HOV) lanes on state highways in Riverside County that currently operate on a 24-hour basis into part-time HOV lanes that operate as mixed-flow lanes except during peak periods

Notes: There are approximately 48 HOV lane-miles within Riverside County. As with most other carpool lanes in the Southern California region, they restrict access to vehicles with two or more occupants on a 24-hour basis. They allow entrance and exit at restricted points only to minimize the danger of cars weaving into and out of lanes. SCAG's 2004 Regional HOV Lane System Performance Study noted that the public overwhelmingly supports the operation of HOV lanes on a 24/7 basis. Increasing congestion patterns through the midday period and on weekends argue strongly for a continuation of the current 24-hour operating policy. Furthermore, the practice of using striped buffers prevents accidents and discourages short trippers from using HOV lanes. Calling it a "local issue," CALCOG recently withdrew its opposition to AB 426 when the bill was limited to Riverside County. RCTC supports in concept.

FISCAL IMPACT:

All work related to adopting the recommended staff action is contained within the adopted FY 04/05 budget and adopted 2005 SCAG Legislative Program and does not require the allocation of any additional financial resources. If enacted, these bills and constitutional amendments could have a favorable impact on transportation funding, but would not directly affect the agency's finances.

ASSEMBLY BILL

No. 850

**Introduced by Assembly Member Canciamilla
(Principal coauthor: Assembly Member Benoit)
(Principal coauthor: Senator Runner)**

February 18, 2005

An act to amend Section 143 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 850, as introduced, Canciamilla. Toll road agreements.

Existing law, until January 1, 2003, authorized the Department of Transportation to solicit proposals and enter into agreements with private entities or consortia for the construction and lease of no more than 2 toll road projects, and specified the terms and requirements applicable to those projects.

This bill would instead authorize the department to enter into comprehensive development franchise agreements with public and private entities or consortia for specified types of transportation projects, as defined, subject to certain requirements and conditions. The bill would authorize tolls to be collected after the termination of a franchise agreement period, subject to approval of the California Transportation Commission. The bill would require a franchise agreement to allow the department to acquire by condemnation or negotiation the financial value of a competing toll facility if the department opens a competitive state facility in the same corridor. The bill would enact other related provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 143 of the Streets and Highways Code
2 is amended to read:

3 143. (a) ~~The Pursuant to Chapter 3 (commencing with~~
4 ~~Section 30800) of Division 17, the department may solicit~~
5 ~~proposals, negotiate, and enter into comprehensive development~~
6 ~~franchise agreements with public and private entities, or~~
7 ~~consortia thereof, for the construction by, and lease to, private~~
8 ~~entities of two public transportation demonstration projects. The~~
9 ~~department shall not enter into an agreement for any new~~
10 ~~proposals under this authority after January 1, 2003. As used in~~
11 ~~this section, "transportation projects" means (1) shared~~
12 ~~high-occupancy vehicle (HOV) lanes where HOVs are permitted~~
13 ~~free passage, (2) dedicated exclusive truck lanes, (3) mixed-flow~~
14 ~~toll lanes and free lanes, and (4) toll lanes for all vehicles other~~
15 ~~than HOVs.~~

16 (b) For the purpose of facilitating those transportation
17 projects, the agreements *between the parties* may include
18 provisions for *limiting the department from initiating the opening*
19 *to traffic of new competing state highway facilities within the*
20 *same transportation corridor, for the lease of rights-of-way in,*
21 *and airspace over or under, these state highways, for the granting*
22 *of necessary easements, and for the issuance of permits or other*
23 *authorizations to enable the private entity to construct the*
24 *construction of transportation facilities supplemental to existing*
25 *state-owned and operated transportation facilities. Facilities*
26 *constructed by a private an entity pursuant to an agreement*
27 *under this section shall, at all times, be owned by the state*
28 *department as an operational part of the state highway system.*
29 The agreement shall provide for the lease of those facilities to the
30 private franchised entity for up to 35 years *to recover private*
31 *investments in the form of expended funds together with a*
32 *reasonable rate of return on those funds, negotiated by the*
33 *department with the contracting entity.* In consideration therefor,
34 the agreement shall provide for complete reversion of the
35 privately constructed facility *and the right to collect tolls to the*
36 *state department and any other government entity participating*
37 *in the funding of the project, if any, at the expiration of the lease*
38 *at no charge to the state department or other governmental entity.*

1 (c) The department may exercise any power possessed by it
2 with respect to the development and construction of state
3 transportation projects to facilitate the development and
4 construction of transportation *toll* projects *initiated* pursuant to
5 this section. Agreements for maintenance and police services
6 entered into pursuant to this section ~~shall may~~ provide for ~~full~~
7 *some form of negotiated* reimbursement for services rendered by
8 the department ~~or and~~ other state agencies. The department may
9 provide services for which it is reimbursed with respect to
10 preliminary planning, environmental certification *and review*,
11 *and* preliminary design, *design, right-of-way acquisition, and*
12 *construction of the demonstration these transportation* projects.

13 (d) (1) Agreements entered into pursuant to this section shall
14 authorize the ~~private contracting~~ entity to impose tolls for use of
15 a facility constructed by it, and shall require that over the term of
16 the ~~lease franchise~~, that the toll revenues *will* be applied to
17 payment of *some or all of the private entity's* capital outlay costs
18 for the project, the costs associated with operations, toll
19 collection, administration of the facility, reimbursement to the
20 *state department or other governmental entity* for the costs of
21 ~~maintenance and services to develop and maintain the project~~,
22 police services, and a reasonable return on investment to the
23 private entity. The agreement shall require that any excess toll
24 revenue either be applied to any indebtedness incurred by the
25 private entity with respect to the project or be paid into the State
26 Highway Account, or both.

27 (2) ~~The authority to collect~~ *collection of* tolls for the use of
28 these facilities ~~shall terminate may be extended by the~~
29 *commission* at the expiration of the franchise agreement.

30 (e) The plans and specifications for each *transportation*
31 project constructed pursuant to this section shall comply with the
32 department's *then-existing* standards for *similar* state
33 transportation projects. A facility constructed by and leased to ~~a~~
34 *private another* entity shall, during the term of the lease, be
35 deemed to be a part of the state highway system for purposes of
36 identification, maintenance, enforcement of traffic laws, and for
37 the purposes of Division 3.6 (commencing with Section 810) of
38 Title 1 of the Government Code.

1 (f) The assignment authorized by subdivision (c) of Section
2 130240 of the Public Utilities Code is consistent with this
3 section.

4 (g) *Each franchise agreement entered into by the department*
5 *shall include provisions authorizing the department to open*
6 *competitive facilities to traffic within the designated corridor*
7 *subject to the department exercising its police power to either*
8 *acquire by condemnation or negotiation the remaining net fair*
9 *market capitalized value of the toll franchise period equivalent to*
10 *the projected lost annual income for the remaining term of the*
11 *competition protection afforded by that agreement. The annual*
12 *payments shall be determined by a projection of the average*
13 *increase of net income over the previous five years of tolled*
14 *operations, or less than five years if there have not been a full*
15 *five years of consecutive operations of the facility. To the extent*
16 *that the toll facility does not suffer a loss of net income*
17 *equivalent to that projected in each year, the sum paid at the end*
18 *of that fiscal year on June 30 shall be adjusted so that the*
19 *department's payments are reduced accordingly.*

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AMENDED IN ASSEMBLY APRIL 11, 2005

AMENDED IN ASSEMBLY FEBRUARY 24, 2005

CALIFORNIA LEGISLATURE—2005—06 FIRST EXTRAORDINARY SESSION

Assembly Constitutional Amendment

No. 4

Introduced by Assembly Member Keene

January 20, 2005

Assembly Constitutional Amendment No. 4—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Sections 10 and 12 of Article IV thereof, by amending Section 6 of Article XIII B thereof, by amending Section 8 of Article XVI thereof, by amending Section 6 of Article XIX thereof, by repealing Section 1 of Article XIX A thereof, and by amending Section 1 of Article XIX B thereof, relating to state finance.

LEGISLATIVE COUNSEL'S DIGEST

ACA 4, as amended, Keene. State finances.

(1) The California Constitution provides, commencing in the 2004–05 fiscal year, that if, following the enactment of the annual Budget Bill, the Governor determines either that General Fund revenues will decline substantially below the estimate of General Fund revenues upon which the Budget Bill for that fiscal year was based, or that General Fund expenditures will increase substantially above that estimate of General Fund revenues, or both, the Governor is authorized to issue a proclamation declaring a fiscal emergency and is thereupon required to cause the Legislature to assemble in special session. These provisions require that the proclamation identify the nature of the fiscal emergency and be accompanied by proposed legislation to address the fiscal emergency. If the Legislature fails to

pass and send to the Governor a bill or bills to address the fiscal emergency by the 45th day following the issuance of the proclamation, the Legislature is prohibited from acting on any other bills and may not adjourn for a joint recess, until that bill or those bills have been passed and sent to the Governor. Existing law also provides for a Budget Stabilization Account into which the Controller is required to transfer specified sums of General Fund moneys, for use as specified.

This measure would require, rather than authorize, the Governor to issue a proclamation declaring a fiscal emergency, and specify that the proclamation would be issued when the Governor determines that the sum of General Fund expenditures and the amount of General Fund moneys transferred to the Budget Stabilization Account for a fiscal year will exceed General Fund revenues for that fiscal year by at least \$250,000,000, adjusted to reflect the rate of inflation shown in the California consumer price index as determined by the Director of Finance. The measure would also require, as an additional consequence if the Legislature fails to pass a bill or bills to address the fiscal emergency by the 45th day, or under specified circumstances, by the 30th day, that reductions be imposed, on a pro rata basis, on all General Fund appropriations enacted on or before the date of the proclamation, by a percentage estimated by the Director of Finance to cause total General Fund expenditures not to exceed General Fund revenues by the end of that fiscal year, with specified exceptions. It would specify that benefits and services, including any entitlement created by state law, shall be provided at a level or in an amount consistent with the reduction in payment required under these provisions. It would additionally require the amount of certain payments calculated pursuant to state law to be reduced as necessary to reflect the reduction in General Fund appropriations, and would require any local funds that are required to be expended, as a condition of the availability of state funds under that calculation, to be similarly reduced by the local entity. The reduction authority created pursuant to these provisions would apply until the effective date, no later than the end of that fiscal year, of a proclamation issued by the Governor declaring the end of the fiscal emergency.

(2) Existing provisions of the California Constitution authorize the Governor and the Governor-elect to require a state agency, officer, or employee to furnish whatever information is necessary to prepare the state budget.

This measure would specifically require the Director of Finance to advise the Governor on the current status of state revenues and expenditures at least quarterly, and at the beginning of any fiscal year for which a Budget Bill has not been enacted.

(3) Existing provisions of the California Constitution require the Legislature to pass the Budget Bill by midnight on June 15 of each year.

This measure would provide, for the 2005–06 fiscal year, and any subsequent fiscal year, that if the Budget Bill is not enacted by July 1, amounts equal to the amounts appropriated by the items of appropriation in the Budget Act and any amendments to the Budget Act for the immediately preceding fiscal year would be appropriated, as specified, until a Budget Bill for the new fiscal year is enacted, subject to any applicable expenditure reductions. While this spending authority is in effect for a fiscal year, the measure would limit the amount of any continuous appropriation from the General Fund, including State School Fund moneys, to the amount apportioned for those continuous appropriations for the prior fiscal year. It would specify that when an appropriation under these provisions is insufficient to fully fund an entitlement created by state law, the entitlement shall be deemed to be limited to the amount of funds appropriated, as specified.

(4) Existing provisions of the California Constitution and various statutes authorize the loan to the General Fund of moneys in specified funds and accounts, including loans from the Public Transportation Account in the State Transportation Fund.

This measure would, on and after July 1, 2006, prohibit the transfer of funds from a special fund to the General Fund as a loan, with specified exceptions. Any funds that were transferred prior to that date from a special fund to the General Fund for the purpose of making a loan to the General Fund and that have not been repaid to that special fund by July 1, 2006, would be required to be repaid to that special fund by July 1, 2021.

(5) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. The California Constitution provides that payable claims for costs incurred prior to the 2004–05 fiscal year that have not been paid prior to the 2005–06 fiscal year may be paid over a term of years, as

prescribed by law. Existing statutory law provides that these claims be paid over a period not to exceed 5 years.

This measure would provide that the term of years over which payable claims shall be paid shall not exceed 15 years.

(6) Existing provisions of the California Constitution require that specified state funds be applied annually for the support of school districts and community college districts in an amount not less than the greater of the amounts calculated under 3 different tests: (a) the amount that as a percentage of General Fund revenues appropriated for school districts and community college districts is equal to the percentage of General Fund revenues appropriated for that purpose in the 1986–87 fiscal year (Test 1), (b) the amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes and allocated local proceeds of taxes are not less than the total amount from these sources in the prior fiscal year adjusted for changes in enrollment and cost of living, operative only in a fiscal year in which the percentage growth in per capita personal income is less than or equal to the percentage growth in per capita General Fund revenues plus 0.5% (Test 2), or (c) the amount calculated pursuant to Test 2, but adjusted for changes in enrollment and the change in per capita General Fund revenues, operative only when the percentage growth in per capita personal income is greater than the percentage growth in per capita General Fund revenues plus 0.5% (Test 3).

Existing provisions of the California Constitution also permit the suspension of these provisions by the Legislature, with certain requirements, and provide that school districts or community college districts are entitled to a maintenance factor, as specified, if these provisions are suspended by the Legislature, or if funding of the public education system is computed pursuant to Test 3, as described above.

This measure would repeal the provisions setting forth Test 3 as an alternative calculation to be used in determining the minimum annual amount required to be appropriated for the support of school districts and community college districts, would repeal the authority to suspend the requirement to appropriate that minimum annual funding guarantee, and would repeal the related provisions providing for maintenance factors. This measure would require that the total outstanding amount of any maintenance factors under the repealed provisions be repaid in total no later than July 1, 2021, and that the

amount of that repayment be excluded from consideration in calculating the minimum funding guarantee for the 2005–06 fiscal year, and any subsequent fiscal year.

This measure would provide, as specified, that appropriations made for the 2005–06 fiscal year, or any subsequent fiscal year, that exceed the minimum funding guarantee for that fiscal year are excluded from consideration in calculating the minimum funding guarantee for any subsequent fiscal year, as determined under Test 2.

This measure would require any balance of amounts that were required to be allocated under the existing minimum annual funding guarantee for the 2003–04 fiscal year or any preceding fiscal year, but that were not allocated as of the effective date of this measure, to be repaid in total, on a specified allocated basis, within 15 years from that date.

This measure would further provide that the balance of any amounts required under the annual funding guarantee to be allocated to school districts and community college districts for the 2004–05 fiscal year, or any subsequent fiscal year, that was not allocated prior to the end of that fiscal year is continuously appropriated to the Controller from the General Fund for allocation to school districts and community college districts upon the certification of the final data necessary for the calculation of the annual funding guarantee by the Department of Finance and the Superintendent of Public Instruction, subject to certain requirements. The measure would permit the Legislature to require a school district or community college district to use those funds for a specified purpose.

(7) Existing provisions of the California Constitution require sales taxes on motor vehicle fuel that are deposited in the General Fund to be transferred to the Transportation Investment Fund for allocation to various transportation purposes. These provisions authorize the transfer of these revenues to the Transportation Investment Fund to be suspended, in whole or in part, for a fiscal year during a fiscal emergency pursuant to a proclamation issued by the Governor and the enactment of a statute by a $\frac{2}{3}$ vote of both houses of the Legislature, if the statute does not contain any unrelated provision.

This measure instead would provide that the transfer of revenues from the General Fund to the Transportation Investment Fund may be suspended, in whole or in part, and subject to these conditions, for any fiscal year preceding the 2007–08 fiscal year.

The measure would also require that the total amount, as of July 1, 2007, of revenues that were not transferred from the General Fund to the Transportation Investment Fund because of a suspension pursuant to these provisions be repaid to the Transportation Investment Fund no later than June 30, 2022, and that until the total amount has been repaid, the amount of repayment to be made in each fiscal year shall not be less than $\frac{1}{15}$ of the total amount due. It would authorize the Legislature to provide by statute for the issuance of bonds secured by these payments, with the proceeds to be used for purposes consistent with the provisions governing the Transportation Investment Fund, and for costs associated with the issuance and sale of the bonds.

(8) This measure would declare that its provisions are severable, and that any invalidity of one of its provisions or applications shall not affect other provisions or applications that can be given effect without the invalid provision or application.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

1 *Resolved by the Assembly, the Senate concurring,* That the
2 Legislature of the State of California at its 2005–06 Regular
3 Session commencing on the sixth day of December 2004,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California, that the
6 Constitution of the State be amended as follows:

7 First—That Section 10 of Article IV thereof is amended to
8 read:

9 SEC. 10. (a) Each bill passed by the Legislature shall be
10 presented to the Governor. It becomes a statute if it is signed by
11 the Governor. The Governor may veto it by returning it with any
12 objections to the house of origin, which shall enter the objections
13 in the journal and proceed to reconsider it. If each house then
14 passes the bill by rollcall vote entered in the journal, two-thirds
15 of the membership concurring, it becomes a statute.

16 (b) (1) Any bill, other than a bill which would establish or
17 change boundaries of any legislative, congressional, or other
18 election district, passed by the Legislature on or before the date
19 the Legislature adjourns for a joint recess to reconvene in the
20 second calendar year of the biennium of the legislative session,
21 and in the possession of the Governor after that date, that is not
22 returned within 30 days after that date becomes a statute.

1 (2) Any bill passed by the Legislature before September 1 of
2 the second calendar year of the biennium of the legislative
3 session and in the possession of the Governor on or after
4 September 1 that is not returned on or before September 30 of
5 that year becomes a statute.

6 (3) Any other bill presented to the Governor that is not
7 returned within 12 days becomes a statute.

8 (4) If the Legislature by adjournment of a special session
9 prevents the return of a bill with the veto message, the bill
10 becomes a statute unless the Governor vetoes the bill within 12
11 days after it is presented by depositing it and the veto message in
12 the office of the Secretary of State.

13 (5) If the 12th day of the period within which the Governor is
14 required to perform an act pursuant to paragraph (3) or (4) of this
15 subdivision is a Saturday, Sunday, or holiday, the period is
16 extended to the next day that is not a Saturday, Sunday, or
17 holiday.

18 (c) Any bill introduced during the first year of the biennium of
19 the legislative session that has not been passed by the house of
20 origin by January 31 of the second calendar year of the biennium
21 may no longer be acted on by the house. No bill may be passed
22 by either house on or after September 1 of an even-numbered
23 year except statutes calling elections, statutes providing for tax
24 levies or appropriations for the usual current expenses of the
25 State, and urgency statutes, and bills passed after being vetoed by
26 the Governor.

27 (d) The Legislature may not present any bill to the Governor
28 after November 15 of the second calendar year of the biennium
29 of the legislative session.

30 (e) The Governor may reduce or eliminate one or more items
31 of appropriation while approving other portions of a bill. The
32 Governor shall append to the bill a statement of the items
33 reduced or eliminated with the reasons for the action. The
34 Governor shall transmit to the house originating the bill a copy of
35 the statement and reasons. Items reduced or eliminated shall be
36 separately reconsidered and may be passed over the Governor's
37 veto in the same manner as bills.

38 (f) (1) If the Governor determines that the sum of General
39 Fund expenditures and the amount of General Fund moneys
40 transferred to the Budget Stabilization Account pursuant to

1 Section 20 of Article XVI for a fiscal year will exceed General
2 Fund revenues for that fiscal year by at least two hundred fifty
3 million dollars (\$250,000,000), adjusted to reflect the rate of
4 inflation shown in the California consumer price index as
5 determined by the Director of Finance, the Governor shall issue a
6 proclamation declaring a fiscal emergency and shall thereupon
7 cause the Legislature to assemble in special session for this
8 purpose. The proclamation shall identify the nature of the fiscal
9 emergency and shall be submitted by the Governor to the
10 Legislature, accompanied by proposed legislation to address the
11 fiscal emergency.

12 (2) If the Legislature fails to pass and send to the Governor a
13 bill or bills to address the fiscal emergency by the 45th day
14 following the issuance of the proclamation, or the 30th day if
15 appropriation authority is currently provided pursuant to
16 subdivision (g) of Section 12, all of the following shall occur:

17 (A) The Legislature may not act on any other bill, nor may the
18 Legislature adjourn for a joint recess, until that bill or those bills
19 have been passed and sent to the Governor.

20 (B) (i) Notwithstanding any other provision of this
21 Constitution, all General Fund appropriations enacted on or
22 before the date of the issuance of the proclamation shall be
23 reduced, on a pro rata basis, by that percentage that the Director
24 of Finance estimates will cause total General Fund expenditures,
25 and the amount of any General Fund moneys transferred to the
26 Budget Stabilization Account for that fiscal year pursuant to
27 Section 20 of Article XVI, not to exceed General Fund revenues
28 by the end of that fiscal year. The Controller shall implement this
29 subparagraph by applying the percentage estimated by the
30 Director of Finance to every payment of General Fund moneys in
31 a warrant that is issued under the authority of any affected
32 appropriation. Benefits and services, including any entitlement
33 created by state law, shall be provided at a level or in an amount
34 consistent with the reduction in payment required under this
35 subparagraph. In addition, the amount of any payment that is
36 calculated pursuant to state law, and issued by a government
37 entity, including a local government agency, other than the
38 Controller, shall, to the extent funded from the General Fund of
39 the state, be reduced by the same percentage that payment of
40 General Fund moneys are reduced pursuant to this subparagraph,

1 and any local funds that are required to be expended as a
2 condition of the availability of state funds under that calculation
3 shall be similarly reduced by the local entity.

4 (ii) This subparagraph shall not apply to a payment required
5 by the United States Constitution, or to a payment required to
6 meet obligations with respect to state bonded indebtedness.

7 (iii) Notwithstanding any other provision of this Constitution,
8 this subparagraph shall apply to any General Fund payment made
9 with respect to any contract, collective bargaining agreement, or
10 other entitlement under law for which liability of the State to pay
11 arises on or after the effective date of the measure that added this
12 subparagraph. This subparagraph shall be deemed to be included
13 in every contract or other agreement to which the State is a party
14 and any provision of state law under which the State is to make
15 any payment.

16 (iv) The reduction authority set forth in this subparagraph
17 applies until the effective date, no later than the end of that fiscal
18 year, of a proclamation issued by the Governor declaring the end
19 of the fiscal emergency.

20 (3) A bill addressing the fiscal emergency declared pursuant to
21 this section shall contain a statement to that effect.

22 Second—That Section 12 of Article IV thereof is amended to
23 read:

24 SEC. 12. (a) Within the first 10 days of each calendar year,
25 the Governor shall submit to the Legislature, with an explanatory
26 message, a budget for the ensuing fiscal year containing itemized
27 statements for recommended state expenditures and estimated
28 state revenues. If recommended expenditures exceed estimated
29 revenues, the Governor shall recommend the sources from which
30 the additional revenues should be provided.

31 (b) (1) The Governor and the Governor-elect may require a
32 state agency, officer, or employee to furnish whatever
33 information is deemed necessary to prepare the budget.

34 (2) The Director of Finance shall advise the Governor on the
35 current status of state revenues and expenditures at least
36 quarterly, and at the beginning of any fiscal year for which a
37 budget bill has not been enacted.

38 (c) (1) The budget shall be accompanied by a budget bill
39 itemizing recommended expenditures.

1 (2) The budget bill shall be introduced immediately in each
2 house by the persons chairing the committees that consider the
3 budget.

4 (3) The Legislature shall pass the budget bill by midnight on
5 June 15 of each year.

6 (4) Until the budget bill has been enacted, the Legislature shall
7 not send to the Governor for consideration any bill appropriating
8 funds for expenditure during the fiscal year for which the budget
9 bill is to be enacted, except emergency bills recommended by the
10 Governor or appropriations for the salaries and expenses of the
11 Legislature.

12 (d) No bill except the budget bill may contain more than one
13 item of appropriation, and that for one certain, expressed
14 purpose. Appropriations from the General Fund of the State,
15 except appropriations for the public schools, are void unless
16 passed in each house by rollcall vote entered in the journal,
17 two-thirds of the membership concurring.

18 (e) The Legislature may control the submission, approval, and
19 enforcement of budgets and the filing of claims for all state
20 agencies.

21 (f) For the 2004–05 fiscal year, or any subsequent fiscal year,
22 the Legislature may not send to the Governor for consideration,
23 nor may the Governor sign into law, a budget bill that would
24 appropriate from the General Fund, for that fiscal year, a total
25 amount that, when combined with all appropriations from the
26 General Fund for that fiscal year made as of the date of the
27 budget bill's passage, and the amount of any General Fund
28 moneys transferred to the Budget Stabilization Account for that
29 fiscal year pursuant to Section 20 of Article XVI, exceeds
30 General Fund revenues for that fiscal year estimated as of the
31 date of the budget bill's passage. That estimate of General Fund
32 revenues shall be set forth in the budget bill passed by the
33 Legislature.

34 (g) For the 2005–06 fiscal year, or any subsequent fiscal year,
35 if the budget bill is not enacted prior to July 1, as of that date
36 amounts equal to the amounts appropriated by each of the items
37 of appropriation in the Budget Act and any amendments to the
38 Budget Act for the immediately preceding fiscal year are hereby
39 appropriated for the current fiscal year in the same proportions,
40 for the same purposes, from the same funding sources, and under

1 the same conditions that apply to those items under that Budget
2 Act or amendment to the Budget Act. When an appropriation
3 made pursuant to this subdivision is insufficient to fully fund an
4 entitlement created by state law during the portion of the fiscal
5 year for which this subdivision is operative, the entitlement shall
6 be deemed limited, for that portion of the fiscal year, to the
7 amount of funds appropriated pursuant to this subdivision for that
8 purpose. The appropriation authority set forth in this subdivision
9 applies until the effective date of the Budget Act for that fiscal
10 year. For so long as the appropriation authority set forth in this
11 subdivision applies to a fiscal year, the amount of any continuous
12 appropriation from the General Fund of the State for that fiscal
13 year, including the continuous appropriation from the State
14 School Fund pursuant to Section 6 of Article IX, shall not exceed
15 the amount appropriated pursuant to that continuous
16 appropriation for the immediately preceding fiscal year.

17 (h) (1) On and after July 1, 2006, funds may not be
18 transferred from a special fund to the General Fund as a loan.
19 Any funds transferred prior to that date from a special fund to the
20 General Fund for the purpose of making a loan to the General
21 Fund and not repaid to that special fund by July 1, 2006, shall be
22 repaid to that special fund no later than July 1, 2021.

23 (2) The prohibition contained in this subdivision does not
24 apply to loans made for the purpose of meeting the short-term
25 cashflow needs of the State if any amount owed is to be repaid in
26 full to the fund from which it was borrowed prior to the date
27 when the transfer would interfere with the carrying out of any
28 object for which the special fund was created.

29 Third—That Section 6 of Article XIII B thereof is amended to
30 read:

31 SEC. 6. (a) Whenever the Legislature or any state agency
32 mandates a new program or higher level of service on any local
33 government, the State shall provide a subvention of funds to
34 reimburse that local government for the costs of the program or
35 increased level of service, except that the Legislature may, but
36 need not, provide a subvention of funds for the following
37 mandates:

38 (1) Legislative mandates requested by the local agency
39 affected.

1 (2) Legislation defining a new crime or changing an existing
2 definition of a crime.

3 (3) Legislative mandates enacted prior to January 1, 1975, or
4 executive orders or regulations initially implementing legislation
5 enacted prior to January 1, 1975.

6 (b) (1) Except as provided in paragraph (2), for the 2005–06
7 fiscal year and every subsequent fiscal year, for a mandate for
8 which the costs of a local government claimant have been
9 determined in a preceding fiscal year to be payable by the State
10 pursuant to law, the Legislature shall either appropriate, in the
11 annual Budget Act, the full payable amount that has not been
12 previously paid, or suspend the operation of the mandate for the
13 fiscal year for which the annual Budget Act is applicable in a
14 manner prescribed by law. A reduction in an appropriation
15 pursuant to subparagraph (B) of paragraph (2) of subdivision (f)
16 of Section (10) of Article IV shall not be deemed to reduce the
17 reimbursement amount to which a local agency is entitled
18 pursuant to this section.

19 (2) Payable claims for costs incurred prior to the 2004–05
20 fiscal year that have not been paid prior to the 2005–06 fiscal
21 year shall be paid over a term of not more than 15 years, as
22 prescribed by law.

23 (3) Ad valorem property tax revenues shall not be used to
24 reimburse a local government for the costs of a new program or
25 higher level of service.

26 (4) This subdivision applies to a mandate only as it affects a
27 city, county, city and county, or special district.

28 (5) This subdivision shall not apply to a requirement to
29 provide or recognize any procedural or substantive protection,
30 right, benefit, or employment status of any local government
31 employee or retiree, or of any local government employee
32 organization, that arises from, affects, or directly relates to future,
33 current, or past local government employment and that
34 constitutes a mandate subject to this section.

35 (c) A mandated new program or higher level of service
36 includes a transfer by the Legislature from the State to cities,
37 counties, cities and counties, or special districts of complete or
38 partial financial responsibility for a required program for which
39 the State previously had complete or partial financial
40 responsibility.

Fourth—That Section 8 of Article XVI thereof is amended to read:

SEC. 8. (a) From all state revenues there shall first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education.

(b) Commencing with the 1990–91 fiscal year, the moneys to be applied by the State for the support of school districts and community college districts shall be not less than the greater of either of the following amounts:

(1) The amount that, as a percentage of General Fund revenues that may be appropriated pursuant to Article XIII B, equals the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in the 1986–87 fiscal year.

(2) The amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes are not less than the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B.

(c) In any fiscal year, if the amount computed pursuant to paragraph (1) of subdivision (b) exceeds the amount computed pursuant to paragraph (2) of subdivision (b) by a difference that exceeds one and one-half percent of General Fund revenues, the amount in excess of one and one-half percent of General Fund revenues shall not be considered allocations to school districts and community colleges for purposes of computing the amount of state aid pursuant to paragraph (2) of subdivision (b) in the subsequent fiscal year.

(d) If, for the 2005–06 fiscal year, or any subsequent fiscal year, an amount is appropriated for the support of school districts and community college districts in excess of the minimum amount required to be appropriated for that fiscal year pursuant to subdivision (b), the excess amount so appropriated shall not be deemed an allocation to school districts and community college districts for purposes of calculating the moneys to be applied by

1 the State for the support of those entities for any subsequent
2 fiscal year pursuant to paragraph (2) of subdivision (b).

3 (e) (1) The total amount of any outstanding maintenance
4 factors, arising pursuant to former subdivision (d) for one or
5 more fiscal years preceding the 2005–06 fiscal year, shall be
6 repaid no later than July 1, 2021. ~~The repayment of any~~
7 ~~maintenance factor pursuant to this paragraph for any fiscal year~~
8 ~~shall be divided between school districts and community college~~
9 ~~districts in the same proportion that allocations for that fiscal~~
10 ~~year that were made prior to the effective date of the measure~~
11 ~~that added this subdivision were apportioned to school districts~~
12 ~~and community college districts. The payment of a maintenance~~
13 ~~factor amount in the 2005–06 fiscal year, or any subsequent~~
14 ~~fiscal year, shall not be deemed an allocation to school districts~~
15 ~~and community college districts for purposes of calculating the~~
16 ~~moneys to be applied by the State for the support of those entities~~
17 ~~for any subsequent fiscal year pursuant to paragraph (2) of~~
18 ~~subdivision (b).~~

19 (2) The balance of any amounts that were required by this
20 section to be allocated to school districts and community college
21 districts for the 2003–04 fiscal year, or any preceding fiscal year,
22 but were not allocated as of the effective date of the measure that
23 added this subdivision, shall be allocated no later than 15 years
24 following that date. ~~The total amount of augmentations allocated~~
25 ~~pursuant to this paragraph for any fiscal year shall be divided~~
26 ~~between school districts and community college districts in the~~
27 ~~same proportion that allocations for that fiscal year that were~~
28 ~~made prior to the effective date of the measure that added this~~
29 ~~subdivision were apportioned to school districts and community~~
30 ~~college districts.~~

31 (3) (A) The balance of any amounts that are required by this
32 section to be allocated to school districts and community college
33 districts, for the 2004–05 fiscal year, or any subsequent fiscal
34 year, but are not allocated as of the end of that fiscal year, are
35 continuously appropriated to the Controller from the General
36 Fund of the State for allocation to school districts and community
37 college districts upon the certification by the Department of
38 Finance and the Superintendent of Public Instruction of the final
39 data necessary to perform the calculations required pursuant to
40 subdivision (b). That certification shall be completed within 24

1 months subsequent to the end of the fiscal year. ~~The amount~~
2 ~~appropriated pursuant to this paragraph shall be divided between~~
3 ~~school districts and community college districts in the same~~
4 ~~proportion that allocations were made during that fiscal year to~~
5 ~~school districts and community college districts.~~

6 (B) The Legislature may require, in the Budget Act or any
7 other statute, that a school district or community college district
8 use funds allocated pursuant to this paragraph for a specified
9 purpose.

10 (4) (A) *The amounts appropriated pursuant to this subdivision*
11 *shall be allocated to school districts, respectively, and*
12 *community college districts in a manner that reflects the*
13 *proportion of regular average daily attendance in school*
14 *districts, as defined by statute on the effective date of the*
15 *measure that added this paragraph, to funded full-time*
16 *equivalent students in community college districts, as those*
17 *numbers are reported at the time of the second principal*
18 *apportionment for the fiscal year prior to the fiscal year in which*
19 *funds are to be received.*

20 (B) *The Controller shall allocate funds annually appropriated*
21 *pursuant to this subdivision to school districts and community*
22 *college districts based on attendance information provided by the*
23 *State Department of Education and the Chancellor of the*
24 *California Community Colleges on August 15 of each year*
25 *commencing with the 2006–07 fiscal year, unless otherwise*
26 *provided by the Legislature pursuant to subparagraph (B) of*
27 *paragraph (3).*

28 (5) *For purposes of this subdivision a school district includes*
29 *a county office of education and a charter school.*

30 (f) ~~(1)~~ Payable claims for state-mandated costs incurred prior
31 to the 2004–05 fiscal year by a school district or community
32 college district that have not been paid prior to the 2005–06 fiscal
33 year shall be paid no later than the 2020–21 fiscal year.

34 ~~(2) Amounts allocated to a school district or community~~
35 ~~college district for a fiscal year pursuant to subdivision (b) shall~~
36 ~~first be expended by the district to pay the costs for state~~
37 ~~mandates incurred during that fiscal year.~~

38 (g) (1) For purposes of this section, “changes in enrollment”
39 shall be measured by the percentage change in average daily
40 attendance. However, in any fiscal year, there shall be no

1 adjustment for decreases in enrollment between the prior fiscal
2 year and the current fiscal year unless there have been decreases
3 in enrollment between the second prior fiscal year and the prior
4 fiscal year and between the third prior fiscal year and the second
5 prior fiscal year.

6 (2) For purposes of this section, “maintenance factor” means
7 the difference between (A) the amount of General Fund moneys
8 that would have been appropriated for a fiscal year pursuant to
9 paragraph (2) of subdivision (b) if that paragraph, rather than
10 former paragraph (3) of that subdivision, had been operative or,
11 as applicable, the amount of General Fund moneys that would
12 have been appropriated for a fiscal year pursuant to subdivision
13 (b) had subdivision (b) not been suspended pursuant to a statute
14 enacted prior to July 1, 2005, and (B) the amount of General
15 Fund moneys actually appropriated to school districts and
16 community college districts for that fiscal year.

17 Fifth—That Section 6 of Article XIX thereof is amended to
18 read:

19 SEC. 6. Subdivision (h) of Section 12 of Article IV does not
20 prohibit the Legislature from authorizing, by statute, loans to
21 local transportation agencies, cities, counties, or cities and
22 counties, from funds that are subject to this article, for the
23 purposes authorized under this article. Any loan authorized as
24 described by this section shall be repaid, with interest at the rate
25 paid on money in the Pooled Money Investment Account, or any
26 successor to that account, during the period of time that the
27 money is loaned, to the fund from which it was borrowed, not
28 later than four years after the date on which the loan was made.

29 Sixth—That Section 1 of Article XIX A thereof is repealed.

30 Seventh—That Section 1 of Article XIX B thereof is amended
31 to read:

32 SECTION 1. (a) For the 2003–04 fiscal year and each fiscal
33 year thereafter, all moneys that are collected during the fiscal
34 year from taxes under the Sales and Use Tax Law (Part 1
35 (commencing with Section 6001) of Division 2 of the Revenue
36 and Taxation Code), or any successor to that law, upon the sale,
37 storage, use, or other consumption in this State of motor vehicle
38 fuel, and that are deposited in the General Fund of the State
39 pursuant to that law, shall be transferred to the Transportation
40 Investment Fund, which is hereby created in the State Treasury.

1 (b) (1) For the 2003–04 to 2007–08 fiscal years, inclusive,
2 moneys in the Transportation Investment Fund shall be allocated,
3 upon appropriation by the Legislature, in accordance with
4 Section 7104 of the Revenue and Taxation Code as that section
5 read on March 6, 2002.

6 (2) For the 2008–09 fiscal year and each fiscal year thereafter,
7 moneys in the Transportation Investment Fund shall be allocated
8 solely for the following purposes:

9 (A) Public transit and mass transportation.

10 (B) Transportation capital improvement projects, subject to the
11 laws governing the State Transportation Improvement Program,
12 or any successor to that program.

13 (C) Street and highway maintenance, rehabilitation,
14 reconstruction, or storm damage repair conducted by cities,
15 including a city and county.

16 (D) Street and highway maintenance, rehabilitation,
17 reconstruction, or storm damage repair conducted by counties,
18 including a city and county.

19 (c) For the 2008–09 fiscal year and each fiscal year thereafter,
20 moneys in the Transportation Investment Fund shall be allocated,
21 upon appropriation by the Legislature, as follows:

22 (1) Twenty percent of the moneys for the purposes set forth in
23 subparagraph (A) of paragraph (2) of subdivision (b).

24 (2) Forty percent of the moneys for the purposes set forth in
25 subparagraph (B) of paragraph (2) of subdivision (b).

26 (3) Twenty percent of the moneys for the purposes set forth in
27 subparagraph (C) of paragraph (2) of subdivision (b).

28 (4) Twenty percent of the moneys for the purpose set forth in
29 subparagraph (D) of paragraph (2) of subdivision (b).

30 (d) (1) The transfer of revenues from the General Fund of the
31 State to the Transportation Investment Fund pursuant to
32 subdivision (a) may be suspended, in whole or in part, for any
33 fiscal year preceding the 2007–08 fiscal year if both of the
34 following conditions are met:

35 (A) The Governor has issued a proclamation that declares that
36 the transfer of revenues pursuant to subdivision (a) will result in
37 a significant negative fiscal impact on the range of functions of
38 government funded by the General Fund of the State.

39 (B) The Legislature enacts by statute, pursuant to a bill passed
40 in each house of the Legislature by rollcall vote entered in the

1 journal, two-thirds of the membership concurring, a suspension
2 for that fiscal year of the transfer of revenues pursuant to
3 subdivision (a), provided that the bill does not contain any other
4 unrelated provision.

5 (2) (A) The total amount, as of July 1, 2007, of revenues that
6 were not transferred from the General Fund of the State to the
7 Transportation Investment Fund because of a suspension
8 pursuant to this subdivision shall be repaid to the Transportation
9 Investment Fund no later than June 30, 2022. Until that total
10 amount has been repaid, the amount of that repayment to be
11 made in each fiscal year shall not be less than $\frac{1}{15}$ of the total
12 amount due.

13 (B) Notwithstanding Article XVI, the Legislature may
14 provide by statute for the issuance of bonds by the State or local
15 agencies, as applicable, that are secured by the payments required
16 by this paragraph. Proceeds of the sale of the bonds shall be
17 applied for purposes consistent with this article, and for costs
18 associated with the issuance and sale of the bonds.

19 (e) The Legislature may enact a statute that modifies the
20 percentage shares set forth in subdivision (c) by a bill passed in
21 each house of the Legislature by rollcall vote entered in the
22 journal, two-thirds of the membership concurring, provided that
23 the bill does not contain any other unrelated provision and that
24 the moneys described in subdivision (a) are expended solely for
25 the purposes set forth in paragraph (2) of subdivision (b).

26 Eighth—That the provisions of this measure are severable. If
27 any provision of this measure or its application is held
28 unconstitutional or otherwise invalid, that invalidity shall not
29 affect other provisions or applications that can be given effect
30 without the invalid provision or application.
31

O

AMENDED IN SENATE APRIL 12, 2005

SENATE BILL

No. 1024

Introduced by Senators Perata and Torlakson

February 22, 2005

An act to add Chapter 12.49 (commencing with Section 8879.20) to Division 1 of Title 2 of the Government Code, relating to ~~seismic~~ *public works and improvements* by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1024, as amended, Perata. Seismic improvements: bond measure.

(1) Existing law sets forth a funding plan for the seismic retrofit or replacement of certain state-owned toll bridges by the Department of Transportation. Existing law, pursuant to Proposition 192 of 1996, provides \$2 billion in voter-approved general obligation bond funds for state highway and toll bridge seismic work. ~~Existing law imposes certain seismic safety requirements on hospitals.~~

This bill would enact the ~~Essential Facilities Seismic Retrofit Safe Facilities, Improved Mobility, and Clean Air~~ Bond Act of 2005 to authorize ~~an unspecified amount~~ \$7,688,000,000 in state general obligation bonds for *specified purposes, including the seismic retrofit of essential facilities throughout the state, including toll bridges and hospitals, levee improvements, restoration of Proposition 42 transportation funds, port infrastructure and security projects, trade corridors of significance, emissions reduction projects, environmental enhancement projects, and transportation needs in cities, counties, and cities and counties that meet certain requirements relative to provisions of housing needs in their communities,* subject to voter

approval. ~~Of the total amount of the bond measure, \$3.22 billion would be designated for seismic work on toll bridges and an unspecified amount would be designated for seismic work on hospitals.~~

This bill would require the Secretary of State to submit the proposed bond measure to the voters at an unspecified election.

This bill would require the Department of Transportation to report on its expenditure of toll bridge funds and would authorize the department to use bond funds to reimburse other state transportation accounts for costs associated with a rebid of the contract to construct the replacement east span of the San Francisco-Oakland Bay Bridge. The bill would enact other related provisions.

This bill would declare that it is to take effect immediately as an urgency measure.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 12.49 (commencing with Section 8879.20) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 12.49. ~~ESSENTIAL FACILITIES SEISMIC RETROFIT~~
~~BOND ACT~~ *THE SAFE FACILITIES, IMPROVED MOBILITY, AND*
CLEAN AIR BOND ACT OF 2005

Article 1. General Provisions

8879.20. (a) This chapter shall be known as the ~~Essential Facilities Seismic Retrofit~~ *Safe Facilities, Improved Mobility, and Clean Air* Bond Act of 2005.

(b) This chapter shall only become operative upon adoption by the voters at the November ____ election.

8879.21. (a) The Legislature finds and declares that the completion of seismic safety retrofit work on state-owned toll bridges ~~and on non-profit, county, and rural hospitals~~ is essential to the welfare and economy of the state.

(b) ~~The~~ purpose of this bond act is to pay for the completion of the state Toll Bridge Seismic Safety Retrofit Program

1 (TBSSRP) as expeditiously as possible ~~and to provide state~~
2 ~~assistance to non-profit, county, and rural hospitals so that they~~
3 ~~can make seismic safety improvement to hospital facilities~~
4 ~~consistent with the requirements under the Alfred E. Alquist~~
5 ~~Hospital Seismic Safety Act of 1973 (Sections 130000 to~~
6 ~~130070, inclusive, of the Health and Safety Code) as amended by~~
7 ~~SB 1953 (Chapter 740 of the Statutes of 1994).~~

8 (c) The Department of Transportation notified the Legislature
9 on August 16, 2004, that the costs to complete the TBSSRP
10 exceeded the authorized budget contained in Section 188.5 of the
11 Streets and Highways Code by three billion two hundred twenty
12 million dollars (\$3,220,000,000).

13 (d) The expeditious completion of the TBSSRP is essential to
14 the welfare and economy of the state and to the safety of the
15 nearly 300,000 daily motorists who use the state-owned toll
16 bridges requiring seismic retrofit work.

17 (e) The department shall take all actions necessary to proceed
18 as expeditiously as possible to seismically retrofit the
19 Richmond-San Rafael Bridge and to replace the eastern span of
20 the San Francisco-Oakland Bay Bridge with a new, seismically
21 safe structure, as described in paragraph (9) of subdivision (b) of
22 Section 188.5 of the Streets and Highways Code.

23 (f) It was the original intent of the Legislature to fund the
24 TBSSRP with the proceeds of bonds through the enactment of
25 SB 146 (Chapter 310 of the Statutes of 1995), which placed
26 Proposition 192 on the ballot in March, 1996. Proposition 192
27 was overwhelmingly approved by the voters on March 26, 1996,
28 but provided only a small fraction of the increased amount of
29 funding required to complete the TBSSRP.

30 (g) It is the intent of the Legislature to fund the remaining
31 three billion two hundred twenty million dollars
32 (\$3,220,000,000) needed to complete the TBSSRP from the
33 proceeds of bonds made available by this chapter upon approval
34 by the voters at the November _____ election.

35 (h) The department shall report within 30 days of the end of
36 each month to the Joint Legislative Budget Committee, the
37 committees in each house of the Legislature that consider
38 transportation issues, the Department of Finance, the California
39 Transportation Commission, and the Bay Area Toll Authority
40 (BATA) regarding the department's progress toward completion

1 of the TBSSRP and the use of funds made available to it by this
2 act.

3 (i) The Legislature intends, with the adoption of this chapter,
4 to meet the state's obligation and duty to complete the TBSSRP
5 without forcing the unprogramming of other transportation
6 projects or the reallocation of transportation funds from other
7 high-priority projects throughout the state.

8 (j) Proceeds made available under this act may be used by the
9 department to reimburse state transportation accounts for funds
10 utilized by the department to rebid the contract to construct the
11 main span of the San Francisco-Oakland Bay Bridge consistent
12 with paragraph (9) of subdivision (b) of Section 188.5 Streets and
13 Highways Code.

14 (k) With respect to the completion of the TBSSRP, bond
15 monies from this act in the amount of three billion two hundred
16 twenty million dollars (\$3,220,000,000) are to be used
17 exclusively to pay for the costs that exceed those enumerated in
18 Section 188.5 of the Streets and Highways Code to complete the
19 retrofit of the Richmond-San Rafael Bridge and the replacement
20 of the eastern span of the San Francisco-Oakland Bay Bridge as
21 described in paragraph (9) of subdivision (b) of that section.

22 ~~(l) With respect to seismic retrofit of non-profit, county and~~
23 ~~rural hospitals, bond monies from this act in the amount of _____~~
24 ~~(\$_____) shall be used to provide assistance to nonprofit, county,~~
25 ~~and rural hospitals in order to allow these hospitals to meet their~~
26 ~~seismic safety requirements in current law.~~

27 (l) *The amount dedicated to the TBSSRP by this act amounts*
28 *to 47 percent of the cost overruns identified by the Department of*
29 *Transportation for completion of the TBSSRP.*

30 (m) *Another purpose of this bond act is to provide funding for*
31 *levee improvement and management. According to the*
32 *Department of Water Resources, funding for those purposes have*
33 *been reduced in recent years, and, as a result, it has been*
34 *difficult to perform the necessary maintenance on the state's*
35 *1,600 miles of project levees. The department estimates that*
36 *capital improvements costing two billion dollars*
37 *(\$2,000,000,000) over 10 to 15 years could provide a reliable*
38 *flood control system. It is in the interest of public health and*
39 *safety for the state to invest in the structural integrity of its*
40 *levees, which protect more than 500,000 people, two million*

1 *acres of cultivated land, and 200,000 structures with an*
2 *estimated value of forty-seven billion dollars (\$47,000,000,000).*

3 8879.22. As used in this chapter, the following terms have the
4 following meanings:

5 (a) "Board" means any department receiving an allocation
6 from the Department of Finance.

7 (b) "Committee" means the ~~Essential Facilities Seismic~~
8 ~~Retrofit Safe Facilities, Improved Mobility, and Clean Air~~
9 Finance Committee created pursuant to Section 8879.27.

10 (c) "Fund" means the ~~Essential Facilities Seismic Retrofit Safe~~
11 ~~Facilities, Improved Mobility, and Clean Air~~ Bond Fund of 2005
12 created pursuant to Section 8879.23.

13
14 Article 2. ~~Essential Facilities Seismic Retrofit Safe Facilities,~~
15 ~~Improved Mobility, and Clean Air~~ Bond Fund and Program
16

17 8879.23. The ~~Essential Facilities Seismic Retrofit Safe~~
18 ~~Facilities, Improved Mobility, and Clean Air~~ Bond Fund of 2005
19 is hereby created in the State Treasury. The proceeds of bonds
20 issued and sold pursuant to this chapter for the purposes specified
21 in this chapter are hereby appropriated, without regard to fiscal
22 years, to the Department of Finance for allocation in the
23 following manner:

24 (a) ~~Three billion two hundred twenty million dollars~~
25 ~~(\$3,220,000,000) for the seismic retrofit of state-owned~~
26 ~~highways and bridges, including toll bridges, throughout the~~
27 ~~state. Funds allocated by the California Transportation~~
28 ~~Commission for this purpose shall be deposited in the 2005~~
29 ~~Seismic Retrofit Account, which is hereby created in the fund,~~
30 ~~and, upon deposit, are continuously appropriated to the~~
31 ~~Department of Transportation. Funds may be used to match any~~
32 ~~available federal funds for transportation purposes or may be~~
33 ~~used without matching federal funds to reconstruct, replace, or~~
34 ~~retrofit state-owned highways and bridges, including toll bridges.~~

35 (b) ~~_____ dollars (\$____) to provide state assistance to~~
36 ~~nonprofit, county, and rural hospitals so that they can make~~
37 ~~seismic safety improvement to hospital facilities consistent with~~
38 ~~the requirements under the Alfred E. Alquist Hospital Seismic~~
39 ~~Safety Act of 1973 (Sections 130000 through 130070 of the~~

1 ~~Health and Safety Code) as amended by SB 1953 (Chapter 740~~
2 ~~of the Statutes of 1994).~~

3 (a) Two billion, three hundred sixty-three million dollars
4 (\$2,363,000,000) for safe facilities, to be deposited in the Safe
5 Facilities Account, which is hereby created in the fund. The
6 money in the account shall be available as follows:

7 (1) One billion three hundred sixty-three million dollars
8 (\$1,363,000,000) for the completion of the state's Toll Bridge
9 Seismic Safety Retrofit Program (TBSSRP), pursuant to Section
10 188.5 of the Streets and Highways Code, which includes the
11 replacement of the San Francisco-Oakland Bay Bridge. Upon
12 deposit, the money in the account shall be continuously
13 appropriated to the Department of Transportation for those
14 purposes.

15 (2) One billion dollars (\$1,000,000,000) shall be available to
16 the Department of Water Resources for the inspection,
17 evaluation, improvement, and strengthening of the state's
18 federally designated project levees. The funds shall be made
19 available for levee improvements on a matching basis, with the
20 share provided from these bond revenues to pay for no more than
21 75 percent of a project's costs, and with the remaining matching
22 funds to be provided in the form of local or regional assessment
23 fee revenues, other local funds, or any federal funds available for
24 those purposes.

25 (b) Two billion three hundred million dollars (\$2,300,000,000)
26 for restoration of Proposition 42 (Article XIX B) revenues, to be
27 deposited in the Proposition 42 Repayment Account, which is
28 hereby created in the fund. Money deposited in the account shall
29 be used by the Controller, in lieu of monies from the General
30 Fund, to meet the transfer obligations to the Transportation
31 Deferred Investment Fund specified in Sections 7105 and 7106 of
32 the Revenue and Taxation Code as a result of suspending the
33 transfer of monies from the General Fund to the Transportation
34 Investment Fund pursuant to Sections 14557.1 and 14558 of the
35 Government Code with respect to the 2003-04 and 2004-05 fiscal
36 years. Funds deposited in the Transportation Deferred
37 Investment Fund shall be allocated as provided in Sections 7105
38 and 7106 of the Revenue and Taxation Fund as those sections
39 read on January 1, 2005.

1 (c) Two billion five hundred million dollars (\$2,500,000,000)
2 to be deposited in the California Ports Infrastructure, Security,
3 and Air Quality Improvement Account, which is hereby created
4 in the fund. The money in the account shall be available as
5 follows:

6 (1) Two billion dollars (\$2,000,000,000) shall be transferred
7 to the Global Gateways Improvement Fund, which is hereby
8 created. The money in this fund shall be available for allocation
9 by the California Transportation Commission for infrastructure
10 improvements along federally-designated "Trade Corridors of
11 National Significance" in this state or along other corridors
12 within this state that have a high volume of freight movement, as
13 determined by the commission. Applicants for these funds shall
14 provide matching funds from other revenues, in a percentage
15 amount to be determined by the commission. In determining
16 projects eligible for funding, the commission shall consult the
17 Global Gateways Development Program report prepared by the
18 Business, Transportation and Housing Agency pursuant to SCR
19 96 (Resolution Chapter 158, Statutes of 2000). Eligible projects
20 for these funds shall include all of the following:

21 (A) Highway capacity improvements and operational
22 improvements to more efficiently accommodate the movement of
23 freight, particularly for ingress and egress to and from the state's
24 seaports and airports, and to relieve traffic congestion along
25 major trade or goods movement corridors.

26 (B) Freight rail system improvements to enhance the ability to
27 move goods from seaports and airports to warehousing and
28 distribution centers throughout California, including projects
29 that separate rail lines from highway traffic and other projects
30 that improve the efficiency and capacity of the rail freight system.

31 (C) Projects to enhance the capacity and efficiency of ports.

32 (2) Four hundred million dollars (\$400,000,000) shall be
33 available for transfer to the Carl Moyer Memorial Air Quality
34 Standards Attainment Trust Fund, created pursuant to Section
35 44299 of the Health and Safety Code. Funds under this
36 paragraph shall be available for allocation by the State Air
37 Resources Board to reduce covered emissions from a covered
38 source, as those terms are defined in paragraphs (5) and (7) of
39 subdivision (a) of Section 44275 of the Health and Safety Code,

1 *relative to sources used primarily in the operations of ports in*
2 *this state.*

3 *(3) One hundred million dollars (\$100,000,000) shall be*
4 *available to the California Infrastructure and Economic*
5 *Development Bank to be allocated, as grants, for port and*
6 *harbor security improvements. The money made available under*
7 *this paragraph shall be continuously appropriated to the bank*
8 *without regard to fiscal years. Eligible applicants shall be*
9 *publicly owned ports and harbors, which may submit*
10 *applications for the following types of projects:*

11 *(A) Video surveillance equipment.*

12 *(B) Explosives detection technology, including, but not limited*
13 *to, X-ray devices.*

14 *(C) Cargo scanners.*

15 *(D) Radiation monitors.*

16 *(E) Thermal protective equipment.*

17 *(F) Site identification instruments capable of providing a*
18 *fingerprint for a broad inventory of chemical agents.*

19 *(G) Other devices capable of detecting weapons of mass*
20 *destruction using chemical, biological, or other similar*
21 *substances.*

22 *(H) Other security equipment to assist in any of the following:*

23 *(i) Screening of incoming vessels and incoming or outbound*
24 *cargo.*

25 *(ii) Monitoring the physical perimeters of harbors and ports.*

26 *(iii) Providing or augmenting onsite emergency response*
27 *capability.*

28 *(I) Overweight cargo detection equipment, including, but not*
29 *limited to, intermodal crane scales and truck weight scales.*

30 *(d) One hundred million dollars (\$100,000,000) to be*
31 *deposited in the Transportation Project Enhancement and*
32 *Mitigation Account, which is hereby created in the fund. The*
33 *money in the account shall be available for transfer to the*
34 *Environmental Enhancement and Mitigation Program Fund*
35 *created pursuant to Section 164.56 of the Streets and Highways*
36 *Code, for allocation to projects pursuant to that section.*

37 *(e) (1) Four hundred twenty-five million dollars*
38 *(\$425,000,000) to be deposited in the Affordable Housing*
39 *Incentive Program Account, which is hereby created in the fund.*
40 *Funds shall be available, upon appropriation, to the California*

1 *Transportation Commission for the purpose of providing*
2 *transportation funding grants, upon application, to cities,*
3 *counties, and cities and counties that meet a significant portion*
4 *of their overall and affordable housing needs. In order to be*
5 *eligible for funds pursuant to this subdivision, a city, county, or*
6 *city and county shall meet all of the following criteria:*

7 *(A) The city, county, or city and county has adopted a revised*
8 *housing element in accordance with Section 65588 that the*
9 *Department of Housing and Community Development has*
10 *determined pursuant to Section 65585 to be in substantial*
11 *compliance with the requirements of Article 10.6 of Chapter 3 of*
12 *Division 1 of Title 7 (commencing with Section 65580). For the*
13 *purposes of this paragraph, an adopted housing element that has*
14 *been self-certified pursuant to Section 65585.1 shall be deemed*
15 *to have been approved by the department, unless a court finds*
16 *that the jurisdiction's housing element does not substantially*
17 *comply with that article.*

18 *(B) The city, county, or city and county has met, as determined*
19 *by the Department of Housing and Community Development in*
20 *accordance with the forms and definitions determined by the*
21 *department pursuant to Section 65400, at least percent of its*
22 *annualized overall housing need during the preceding year or*
23 *percent of its three-year overall housing need over the preceding*
24 *three years, as determined pursuant to Section 65584.*

25 *(C) The city, county, or city and county has met, as determined*
26 *by the Department of Housing and Community Development in*
27 *accordance with the forms and definitions determined by the*
28 *department pursuant to Section 65400, at least percent of its*
29 *annualized housing need for each of the very low-, low-, and*
30 *moderate-income categories during the preceding year or*
31 *percent of its three-year housing need in each of the very low-,*
32 *low-, and moderate-income categories over the preceding three*
33 *years, as determined pursuant to Section 65584.*

34 *(2) The Department of Housing and Community Development*
35 *shall report annually to the California Transportation*
36 *Commission a list of cities, counties, and city and counties that*
37 *have met the requirements of paragraph (1).*

38 *(3) The California Transportation Commission shall award*
39 *funds available under this section over a five-year period.*

1 (4) *Funds awarded pursuant to this section shall be used for*
2 *improvements to neighborhood streets and roads. Improvements,*
3 *as used in this paragraph, mean those activities described in*
4 *subdivision (e) of Section 7104 of the Revenue and Taxation*
5 *Code.*

6 8879.24. (a) The Department of Transportation shall only use
7 funds specified in subdivision (a) of Section 8879.23 for seismic
8 retrofit of state-owned toll bridges and bridges in augmentation
9 of the funds identified in Section 188.5 of the Streets and
10 Highways Code.

11 (b) The Director of Finance shall provide written notification
12 to the Chair of the Joint Legislative Budget Committee of the
13 date when the proceeds of the ~~Essential Facilities Seismic~~
14 ~~Retrofit Bond Act of 2005 Safe Transportation Facilities~~
15 ~~Account of the fund that are available for purposes of paragraph~~
16 ~~(1) of subdivision (a) of Section 8879.23~~ have been fully
17 expended for the purposes specified in subdivision (a).

18
19 Article 3. Fiscal Provisions
20

21 8879.25. Bonds in the total amount of _____ dollars
22 (\$_____), exclusive of refunding bonds, or so much thereof as
23 is necessary, are hereby authorized to be issued and sold for
24 carrying out the purposes expressed in this chapter and to
25 reimburse the General Obligation Bond Expense Revolving Fund
26 pursuant to Section 16724.5. All bonds herein authorized which
27 have been duly sold and delivered as provided herein shall
28 constitute valid and legally binding general obligations of the
29 state, and the full faith and credit of the state is hereby pledged
30 for the punctual payment of both principal and interest thereof.

31 8879.26. The bonds authorized by this chapter shall be
32 prepared, executed, issued, sold, paid, and redeemed as provided
33 in the State General Obligation Bond Law (Chapter 4
34 (commencing with Section 16720) of Part 3 of Division 4),
35 except Section 16727, and all of the other provisions of that law
36 as amended from time to time apply to the bonds and to this
37 chapter and are hereby incorporated in this chapter as though set
38 forth in full in this chapter.

39 8879.27. (a) Solely for the purpose of authorizing the
40 issuance and sale, pursuant to the State General Obligation Bond

1 Law, of the bonds authorized by this chapter, the Essential
2 Facilities Seismic Retrofit Finance Committee is hereby created.
3 For the purposes of this chapter, the ~~Essential Facilities Seismic~~
4 ~~Retrofit~~ *Safe Facilities, Improved Mobility, and Clean Air*
5 Finance Committee is "the committee" as that term is used in the
6 State General Obligation Bond Law. The committee consists of
7 the Treasurer, the Controller, the Director of Finance, and the
8 Secretary of the Business, Transportation and Housing Agency,
9 or a designated representative of each of those officials. The
10 Treasurer shall serve as the chairperson of the committee. A
11 majority of the committee may act for the committee.

12 (b) The committee may adopt guidelines establishing
13 requirements for administration of its financing programs to the
14 extent necessary to protect the validity of, and tax exemption for,
15 interest on the bonds. The guidelines shall not constitute rules,
16 regulations, orders, or standards of general application.

17 (c) For the purposes of the State General Obligation Bond
18 Law, any department receiving an allocation from the
19 Department of Finance is designated to be the "board."

20 8879.28. Upon request of the board stating that funds are
21 needed for ~~toll bridge or hospital seismic retrofit purposes~~
22 *purposes of this chapter*, the committee shall determine whether
23 or not it is necessary or desirable to issue bonds authorized
24 pursuant to this chapter in order to carry out the actions specified
25 in Section 8879.23, and, if so, the amount of bonds to be issued
26 and sold. Successive issues of bonds may be authorized and sold
27 to carry out those actions progressively, and be sold at any one
28 time. Bonds may bear interest subject to federal income tax.

29 8879.29. There shall be collected annually, in the same
30 manner and at the same time as other state revenue is collected, a
31 sum of money in addition to the ordinary revenues of the state,
32 sufficient to pay the principal of, and interest on, the bonds as
33 provided herein, and all officers required by law to perform any
34 duty in regard to the collections of state revenues shall collect
35 that additional sum.

36 8879.30. Notwithstanding Section 13340, there is hereby
37 appropriated from the General Fund in the State Treasury, for the
38 purposes of this chapter, an amount that will equal the total of the
39 following:

1 (a) The sum annually necessary to pay the principal of, and
2 interest on, bonds issued and sold pursuant to this chapter, as the
3 principal and interest become due and payable.

4 (b) The sum which is necessary to carry out Section 8879.32,
5 appropriated without regard to fiscal years.

6 8879.31. The board may request the Pooled Money
7 Investment Board to make a loan from the Pooled Money
8 Investment Account, in accordance with Section 16312, for
9 purposes of this chapter. The amount of the request shall not
10 exceed the amount of the unsold bonds which the committee has,
11 by resolution, authorized to be sold for the purpose of this
12 chapter, less any amount withdrawn pursuant to Section 8879.32.
13 The board shall execute any documents as required by the Pooled
14 Money Investment Board to obtain and repay the loan. Any
15 amount loaned shall be deposited in the fund to be allocated in
16 accordance with this chapter.

17 8879.32. For the purpose of carrying out this chapter, the
18 Director of Finance may, by executive order, authorize the
19 withdrawal from the General Fund of any amount or amounts not
20 to exceed the amount of the unsold bonds which the committee
21 has, by resolution, authorized to be sold for the purpose of
22 carrying out this chapter. Any amounts withdrawn shall be
23 deposited in the ~~Essential Facilities Seismic Retrofit Safe~~
24 ~~Facilities, Improved Mobility, and Clean Air~~ Bond Fund of 2005.
25 Any money made available under this section shall be returned to
26 the General Fund, plus the interest that the amounts would have
27 earned in the Pooled Money Investment Account, from money
28 received from the sale of bonds which would otherwise be
29 deposited in that fund.

30 8879.33. The bonds may be refunded in accordance with
31 Article 6 (commencing with Section 16780) of the State General
32 Obligation Bond Law. Approval by the electors of this act shall
33 constitute approval of any refunding bonds issued pursuant to the
34 State General Obligation Bond Law.

35 8879.34. Notwithstanding anything in the State General
36 Obligation Bond Law, the maximum maturity of any bonds
37 authorized by this chapter shall not exceed 30 years from the date
38 of each respective series. The maturity of each series shall be
39 calculated from the date of each series.

1 8879.35. The Legislature hereby finds and declares that,
2 inasmuch as the proceeds from the sale of bonds authorized by
3 this chapter are not “proceeds of taxes” as that term is used in
4 Article XIII B of the California Constitution, the disbursement of
5 these proceeds is not subject to the limitations imposed by that
6 article.

7 8879.36. Notwithstanding any provision of the State General
8 Obligation Bond Law with regard to the proceeds from the sale
9 of bonds authorized by this chapter that are subject to investment
10 under Article 4 (commencing with Section 16470) of Chapter 3
11 of Part 2 of Division 4, the Treasurer may maintain a separate
12 account for investment earnings, order the payment of those
13 earnings to comply with any rebate requirement applicable under
14 federal law, and may otherwise direct the use and investment of
15 those proceeds so as to maintain the tax-exempt status of those
16 bonds and to obtain any other advantage under federal law on
17 behalf of the funds of this state.

18 SEC. 2. Section 1 of this act shall become operative upon
19 adoption by the voters of the ~~Essential Facilities Seismic Retrofit~~
20 *Safe Facilities, Improved Mobility, and Clean Air* Bond Act of
21 2005, as set forth in Section 1 of this act.

22 SEC. 3. (a) Notwithstanding Sections 9040, 9043, 9044,
23 9061, and 9094 of the Elections Code, or any other provision of
24 law, the Secretary of State shall submit Section 1 of this act to
25 the voters at the November election.

26 (b) The Secretary of State shall ensure the placement of
27 Section 1 of this act on the November election ballot, in
28 substantial compliance with any statutory time requirements
29 applicable to the submission of statewide measures to the voters
30 at a statewide election.

31 (c) The Secretary of State shall include, in the ballot pamphlet
32 mailed pursuant to Section 9094 of the Elections Code, the
33 information specified in Section 9084 of that code regarding the
34 bond act contained in Section 1 of this act.

35 SEC. 4. Notwithstanding any other provision of law, all
36 ballots shall have printed thereon and in a square thereof, the
37 words: “~~Essential Facilities Seismic Retrofit~~ *Safe Facilities,*
38 *Improved Mobility, and Clean Air* Bond Act of 2005,” and in the
39 same square under those words, the following in 8-point type:
40 “This act provides for a bond issue of _____ *seven billion six*

1 *hundred eighty-eight million dollars* (~~\$~~) (\$7,688,000,000) to
2 provide funds for an essential facilities seismic retrofit program.”

3 Opposite the square, there shall be left spaces in which the voters
4 may place a cross in the manner required by law to indicate
5 whether they vote for or against the act.

6 Where the voting in the election is done by means of voting
7 machines used pursuant to law in the manner that carries out the
8 intent of this section, the use of the voting machines and the
9 expression of the voters' choice by means thereof are in
10 compliance with this section.

11 SEC. 5. This act is an urgency statute necessary for the
12 immediate preservation of the public peace, health, or safety
13 within the meaning of Article IV of the Constitution and shall go
14 into immediate effect. The facts constituting the necessity are:

15 In order for this act to be submitted to voters at the earliest
16 possible time, it is necessary for this act to take effect
17 immediately.

AMENDED IN SENATE MARCH 29, 2005

SENATE BILL

No. 172

Introduced by Senator Torlakson

February 9, 2005

An act to amend Section 188.5 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 172, as amended, Torlakson. Seismic retrofit projects.

Existing law provides for the seismic retrofit of state-owned toll bridges. Under existing law, the Department of Transportation is required to report quarterly to the Legislature and the California Transportation Commission for each seismic retrofit project. *Existing law specifies the powers and duties of the Department of Transportation, the Metropolitan Transportation Commission, and the Bay Area Toll Authority with respect to Bay Area state-owned toll bridge revenues and expenditures, including the revenues from the toll increase authorized by Regional Measure 1 of 1988.*

This bill would require that these reports be submitted within 45 days after the end of each quarter and include a summary of the budget status for support and capital outlay construction costs. The bill would also require the department to take specified actions to manage the risks associated with the seismic retrofit projects.

Existing law requires the department and the Bay Area Toll Authority to enter into a cooperative agreement on mutually agreeable terms and conditions relative to the Bay Area state-owned toll bridges, including operation of the bridges by the department and the planning, design, and construction of improvements to the bridges paid by toll bridge revenues.

This bill would require the department and the authority to amend the cooperative agreement previously entered into under these

provisions to provide various oversight and control responsibilities with respect to the Regional Measure 1 bridge toll program and the toll bridge seismic retrofit program. By imposing new duties on a local agency, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 188.5 of the Streets and Highways Code
2 is amended to read:

3 188.5. (a) The Legislature finds and declares all of the
4 following:

5 (1) The department has determined that in order to provide
6 maximum safety for the traveling public and to ensure
7 continuous and unimpeded operation of the state's transportation
8 network, six state-owned toll bridges are in need of a seismic
9 safety retrofit, and one state-owned toll bridge is in need of a
10 partial retrofit and a partial replacement.

11 (2) The bridges identified by the department as needing
12 seismic retrofit are the Benicia-Martinez Bridge, the Carquinez
13 Bridge, the Richmond-San Rafael Bridge, the San
14 Mateo-Hayward Bridge, the San Pedro-Terminal Island Bridge
15 (also known as the Vincent Thomas Bridge), the San
16 Diego-Coronado Bridge, and the west span of the San
17 Francisco-Oakland Bay Bridge. The department has also
18 identified the east span of the San Francisco-Oakland Bay Bridge
19 as needing to be replaced. That replacement span will be safer,
20 stronger, longer lasting, and more cost efficient to maintain than
21 completing a seismic retrofit for the current east span.

22 (3) The south span of the Carquinez Bridge is to be replaced
23 pursuant to Regional Measure 1, as described in Section 30917.

1 (4) The cost estimate to retrofit the state-owned toll bridges
2 and to replace the east span of the San Francisco-Oakland Bay
3 Bridge is four billion six hundred thirty-seven million dollars
4 (\$4,637,000,000), as follows:

5 (A) The Benicia-Martinez Bridge retrofit is one hundred
6 ninety million dollars (\$190,000,000).

7 (B) The north span of the Carquinez Bridge retrofit is one
8 hundred twenty-five million dollars (\$125,000,000).

9 (C) The Richmond-San Rafael Bridge retrofit is six hundred
10 sixty-five million dollars (\$665,000,000).

11 (D) The San Mateo-Hayward Bridge retrofit is one hundred
12 ninety million dollars (\$190,000,000).

13 (E) The San Pedro-Terminal Island Bridge retrofit is sixty-two
14 million dollars (\$62,000,000).

15 (F) The San Diego-Coronado Bridge retrofit is one hundred
16 five million dollars (\$105,000,000).

17 (G) The west span of the San Francisco-Oakland Bay Bridge
18 retrofit, as a lifeline bridge, is seven hundred million dollars
19 (\$700,000,000).

20 (H) Replacement of the east span of the San
21 Francisco-Oakland Bay Bridge is two billion six hundred million
22 dollars (\$2,600,000,000).

23 (b) It is the intent of the Legislature that the following
24 amounts from the following funds shall be allocated until
25 expended, for the seismic retrofit or replacement of state-owned
26 toll bridges:

27 (1) Six hundred fifty million dollars (\$650,000,000) from the
28 1996 Seismic Retrofit Account in the Seismic Retrofit Bond
29 Fund of 1996 for the seven state-owned toll bridges identified by
30 the department as requiring seismic safety retrofit or
31 replacement.

32 (2) One hundred forty million dollars (\$140,000,000) in
33 surplus revenues generated under the Seismic Retrofit Bond Act
34 of 1996 that are in excess of the amount actually necessary to
35 complete Phase Two of the state's seismic retrofit program.
36 These excess funds shall be reallocated to assist in financing
37 seismic retrofit of the state-owned toll bridges.

38 (3) Fifteen million dollars (\$15,000,000) from the Vincent
39 Thomas Toll Bridge Revenue Account.

40 (4) The funds necessary to meet both of the following:

1 (A) A principal obligation of two billion two hundred
2 eighty-two million dollars (\$2,282,000,000) from the seismic
3 retrofit surcharge, including any interest therefrom, imposed
4 pursuant to Section 31010, subject to the limitation set forth in
5 subdivision (c) and subdivision (b) of Section 31010.

6 (B) All costs of financing, including capitalized interest,
7 reserves, costs of issuance, costs of credit enhancements and any
8 other financial products necessary or desirable in connection
9 therewith, and any other costs related to financing.

10 (5) Thirty-three million dollars (\$33,000,000) from the San
11 Diego-Coronado Toll Bridge Revenue Fund.

12 (6) Not less than seven hundred forty-five million dollars
13 (\$745,000,000) from the State Highway Account to be used
14 toward the eight hundred seventy-five million dollars
15 (\$875,000,000) state contribution, to be achieved as follows:

16 (A) (i) Two hundred million dollars (\$200,000,000) to be
17 appropriated for the state-local transportation partnership
18 program described in paragraph (7) of subdivision (d) of Section
19 164, prior to its repeal by Chapter 622 of the Statutes of 1997, for
20 the 1998-99 fiscal year.

21 (ii) The remaining funds intended for that program and any
22 program savings to be made available for toll bridge seismic
23 retrofit.

24 (B) A reduction of not more than seventy-five million dollars
25 (\$75,000,000) in the funding level specified in paragraph (4) of
26 subdivision (d) of Section 164, prior to its repeal by Chapter 622
27 of the Statutes of 1997, for traffic system management.

28 (C) Three hundred million dollars (\$300,000,000) in
29 accumulated savings by the department achieved from better
30 efficiency and lower costs.

31 (7) Not more than one hundred thirty million dollars
32 (\$130,000,000) from the Transit Capital Improvement Program
33 funded by the Public Transportation Account in the State
34 Transportation Fund to be used toward the eight hundred
35 seventy-five million dollars (\$875,000,000) state contribution. If
36 the contribution in subparagraph (A) of paragraph (6) exceeds
37 three hundred seventy million dollars (\$370,000,000), it is the
38 intent that the amount from the Transit Capital Improvement
39 Program shall be reduced by an amount that is equal to that
40 excess.

(8) (A) The funds necessary to meet principal obligations of not less than six hundred forty-two million dollars (\$642,000,000) from the state's share of the federal Highway Bridge Replacement and Rehabilitation (HBRR) Program.

(B) If the project costs exceed four billion six hundred thirty-seven million dollars (\$4,637,000,000), the department may program not more than four hundred forty-eight million dollars (\$448,000,000) in project savings or other available resources from the Interregional Transportation Improvement Program, the State Highway Operation and Protection Program, or federal bridge funds for that purpose.

(C) None of the funds identified in subparagraph (B) may be expended for any purpose other than the conditions and design features described in paragraph (9).

(9) The estimated cost of replacing the San Francisco-Oakland Bay Bridge listed in subparagraph (H) of paragraph (4) of subdivision (a) is based on the following conditions:

(A) The new bridge shall be located north adjacent to the existing bridge and shall be the Replacement Alternative N-6 (preferred) Suspension Structure Variation, as specified in the Final Environmental Impact Statement, dated May 1, 2001, submitted by the department to the Federal Highway Administration.

(B) The main span of the bridge shall be in the form of a single tower cable suspension design and shall be the Replacement Alternative N-6 (preferred) Suspension Structure Variation, as specified in the Final Environmental Impact Statement, dated May 1, 2001, submitted by the department to the Federal Highway Administration.

(C) The roadway in each direction shall consist of five lanes, each lane will be 12 feet wide, and there shall be 10-foot shoulders as an emergency lane for public safety purposes on each side of the main-traveled way.

(c) If the actual cost of retrofit or replacement, or both retrofit and replacement, of toll bridges is less than the cost estimate of four billion six hundred thirty-seven million dollars (\$4,637,000,000), there shall be a reduction in the amount provided in paragraph (4) of subdivision (b) equal to the proportion of total funds committed to complete the projects funded from funds generated from paragraph (4) of subdivision

1 (b) as compared to the total funds from paragraphs (6), (7), and
2 (8) of subdivision (b), and there shall be a proportional reduction
3 in the amount specified in paragraph (8) of subdivision (b).

4 (d) If the department determines that the actual costs exceed
5 the amounts identified in subparagraph (B) of paragraph (8) of
6 subdivision (b), the department shall report to the Legislature
7 within 90 days from the date of that determination as to the
8 difference and the reason for the increase in costs.

9 (e) Notwithstanding any other provision of law, the
10 commission shall adopt fund estimates consistent with
11 subdivision (b) and provide flexibility so that state funds can be
12 made available to match federal funds made available to regional
13 transportation planning agencies.

14 (f) For the purposes of this section, "principal obligations" are
15 the amount of funds generated, either in cash, obligation
16 authority, or the proceeds of a bond or other indebtedness.

17 (g) *The authority and the department shall amend the*
18 *cooperative agreement required by Section 30952 to incorporate*
19 *the following project oversight and control responsibilities*
20 *relative to the Regional Measure 1 and toll bridge seismic*
21 *retrofit programs:*

22 (1) *The authority shall have budgetary authority over the*
23 *Regional Measure 1 and toll bridge seismic retrofit programs,*
24 *including establishing budgets for capital outlay and support*
25 *costs and approving contract change orders and claims and*
26 *adopting budget changes.*

27 (2) *The department shall develop specifications and bid*
28 *documents, shall issue bids, and shall award contracts for*
29 *construction and design services for the Regional Measure 1 and*
30 *seismic retrofit program projects. All contract specifications and*
31 *bid documents shall be reviewed and approved by the authority*
32 *prior to release. At the authority's option, the department shall*
33 *assign the development of specifications and bid documents to,*
34 *and the issuance of bids and the award of contracts to, the*
35 *authority or to another public entity as identified and approved*
36 *by the authority.*

37 (3) *The department shall be responsible for project design and*
38 *construction management for the Regional Measure 1 and*
39 *seismic retrofit program projects. The authority shall contract*
40 *with and oversee one or more private consulting firms to provide*

1 *those services. The authority's project oversight and control*
2 *process shall include, but not be limited to, reviewing bid*
3 *specifications and documents, providing field staff to review*
4 *ongoing cost and schedule estimating and scope control,*
5 *reviewing all change orders and claims, and preparing project*
6 *reports. The authority's project oversight and control services*
7 *shall be an eligible expense from all toll revenues levied*
8 *pursuant to _____.*

9 *(4) The authority and the department shall establish the Toll*
10 *Bridge Program Board of Control, which shall include the*
11 *Director of Transportation or designee and the authority's*
12 *executive director or designee. The Toll Bridge Program Board*
13 *of Control shall review and approve key program staff, project*
14 *staffing structures, and consultant and contractor services*
15 *related to the Regional Measure 1 and toll bridge seismic retrofit*
16 *programs. The Toll Bridge Program Board of Control shall*
17 *establish a program management oversight group, which shall*
18 *include an authority program director and a department*
19 *program director. The oversight group shall meet regularly to*
20 *review project status, review program costs and schedules,*
21 *resolve project issues, evaluate project changes, and provide*
22 *program direction, and shall report to the Toll Bridge Program*
23 *Board of Control.*

24 *(5) The department shall provide quarterly reports to the*
25 *Legislature, and monthly reports to the authority, including, but*
26 *not limited to, the construction status, actual expenditures, and*
27 *forecasted costs and schedules for each of the Regional Measure*
28 *1 and seismic retrofit program projects. All reports provided by*
29 *the department to the Legislature shall first be reviewed and*
30 *approved by the Toll Bridge Program Board of Control.*

31 *(h) To ensure that the department manages the risks associated*
32 *with the toll bridge seismic retrofit projects, the department shall,*
33 *at minimum, take all of the following actions:*

34 *(1) Establish a comprehensive risk management plan that*
35 *clearly defines roles and responsibilities for risk management and*
36 *addresses the process by which it will identify and quantify*
37 *project risks, implement and track risk response activities, and*
38 *monitor and control risks throughout the duration of the project.*

39 *(2) Quantify the effect of identified risks in financial terms.*

- 1 (3) Develop and maintain documents to track identified risks
- 2 and related mitigation steps.
- 3 (4) Regularly update its estimates of capital and support costs.
- 4 (5) Regularly reassess its reserves for potential claims and
- 5 unknown risks, incorporating information related to risks
- 6 identified and quantified through its risk assessment processes.
- 7 (6) Regularly integrate estimates for capital, support costs, and
- 8 contingency reserves into a programwide report.
- 9 (7) Submit quarterly status reports to the Legislature.
- 10 (8) Ensure that reports to the Federal Highway Administration
- 11 and others reflect current data and provide an accurate
- 12 representation of the project's status.
- 13 (9) When key events occur, quickly inform the Legislature and
- 14 others describing the effects of these key events on the project's
- 15 overall budget and schedule.
- 16 ~~(h)~~
- 17 (i) (1) Commencing January 1, 2004, and quarterly thereafter
- 18 until completion of all applicable projects, the department shall
- 19 provide quarterly seismic reports within 45 days of the end of
- 20 each quarter to the transportation committees of both houses of
- 21 the Legislature and to the commission for each of the toll bridge
- 22 seismic retrofit projects in subdivision (a).
- 23 (2) The report shall include details of each toll bridge seismic
- 24 retrofit project and all information necessary to clearly describe
- 25 the status of the project, including, but not limited to, all of the
- 26 following:
- 27 (A) A progress report.
- 28 (B) The baseline budget for support and capital outlay
- 29 construction costs that the department assumed at the time that
- 30 Chapter 907 of the Statutes of 2001 was enacted.
- 31 (C) The current or projected budget for support and capital
- 32 outlay construction costs.
- 33 (D) Expenditures to date for support and capital outlay
- 34 construction costs.
- 35 (E) A comparison of the current or projected schedule and the
- 36 baseline schedule that was assumed at the time that Chapter 907
- 37 of the Statutes of 2001 was enacted.
- 38 (F) A summary of milestones achieved during the quarterly
- 39 period and any issues identified and actions taken to address
- 40 those issues.

1 (3) The report described in paragraph (1) shall also include a
2 programwide summary of the program's budget status for
3 support and capital outlay construction costs.

4 (†)

5 (j) (1) Commencing on January 1, 2004, and quarterly
6 thereafter until completion of all applicable projects, the
7 department shall provide quarterly seismic reports to the
8 transportation committees of both houses of the Legislature and
9 to the commission for other seismic retrofit programs.

10 (2) The reports shall include all of the following:

11 (A) A progress report for each program.

12 (B) The program baseline budget for support and capital
13 outlay construction costs.

14 (C) The current or projected program budget for support and
15 capital outlay construction costs.

16 (D) Expenditures to date for support and capital outlay
17 construction costs.

18 (E) A comparison of the current or projected schedule and the
19 baseline schedule.

20 (F) A summary of milestones achieved during the quarterly
21 period and any issues identified and actions taken to address
22 those issues.

23 *SEC. 2. If the Commission on State Mandates determines that*
24 *this act contains costs mandated by the state, reimbursement to*
25 *local agencies and school districts for those costs shall be made*
26 *pursuant to Part 7 (commencing with Section 17500) of Division*
27 *4 of Title 2 of the Government Code.*

ASSEMBLY BILL

No. 1406

Introduced by Assembly Member Karnette

February 22, 2005

An act to add Section 1750 to the Harbors and Navigation Code, relating to ports and harbors.

LEGISLATIVE COUNSEL'S DIGEST

AB 1406, as introduced, Karnette. Ports and harbors: freight security fee.

Existing law requires the Governor to appoint, to serve at his or her pleasure, an executive officer as the Director of Homeland Security. Existing law requires the director to be in charge of homeland security and to be the state coordinator of all homeland security activities, including homeland security strategy, information analysis related to terrorism, and protection of critical infrastructure from terrorism.

This bill, on and after January 1, 2007, would impose a fee of \$10 per intermodal freight container on every freight container processed through a port or harbor in the state. The bill would require the fee to be paid to the marine terminal operator processing the container by the person contracting for shipment of the container.

The bill would require each marine terminal operator in the state that processes freight containers to transmit the fees and certain related information to the Office of Homeland Security (OHS) on or before the 10th business day of each month.

The bill would require OHS to deposit all revenue derived from imposition of the fee in the Port Security and Safety Fund, which the bill would establish in the State Treasury.

The bill would require the money in the fund, upon appropriation, to be expended by OHS exclusively for the purpose of preventing and

defending against homeland security risks relating to freight activity at state ports and harbors, including funding certain grants approved by OHS.

The bill would prohibit OHS from expending more than 5% of the revenue derived from imposition of the fee to cover its administrative costs incurred as a result of implementing these provisions, including repaying loans from the General Fund made as specified below.

The bill would authorize OHS to receive a loan from the General Fund to implement these provisions pending receipt of revenue generated from imposition of the fee. The bill would require any loan received by OHS from the General Fund, as specified, to be repaid not more than one year after receipt of the loan, with the funds specified above.

The bill would require OHS, on or before January 1, 2007, to establish a grant program to fund proposals from public or private entities to improve freight security at the state's ports and harbors.

The bill would require OHS to allocate funds under these provisions on a quarterly basis. The bill would require that all funds received by OHS under these provisions be allocated not more than one year after receipt.

The bill would set forth a statement of legislative intent to authorize OHS to issue revenue bonds funded with revenue derived from imposition of the fee to generate additional revenue for the purposes of these provisions.

The bill would authorize OHS to prohibit a person who has failed to comply with these requirements from future use of state ports and harbors.

The bill would require OHS, on or before June 1, 2006, to provide a report to the Governor and the Legislature regarding administrative actions that would facilitate implementation of these provisions.

The bill would require OHS, on or before January 1, 2008, to report to the Governor and the Legislature regarding the appropriate amount for a fee on noncontainerized cargo to fund security improvements at state ports and harbors.

The bill would authorize OHS to collaborate with other governmental entities to implement these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1750 is added to the Harbors and
2 Navigation Code, to read:

3 1750. (a) On and after January 1, 2007, a fee of ten dollars
4 (\$10) per freight container is hereby imposed on every
5 intermodal freight container processed through a port or harbor in
6 the state. The fee shall be paid to the marine terminal operator
7 processing the container by the person contracting for shipment
8 of the container.

9 (b) Each marine terminal operator in the state that processes
10 freight containers shall transmit all of the following to the State
11 Office of Homeland Security (OHS) on or before the 10th
12 business day of each month:

13 (1) All fees collected under subdivision (a) during the previous
14 month.

15 (2) A list of all freight containers processed by the marine
16 terminal operator during the previous month.

17 (3) Proof satisfactory to OHS that the fee was imposed on
18 each container listed under paragraph (2).

19 (c) (1) OHS shall deposit all revenue derived from imposition
20 of the fee in the Port Security and Safety Fund, which is hereby
21 established in the State Treasury.

22 (2) Upon appropriation, the money in the fund shall be
23 expended by OHS exclusively for the purpose of preventing and
24 defending against homeland security risks relating to freight
25 activity at state ports and harbors, including, but not limited to,
26 funding grants approved under subdivision (e), except as
27 authorized under paragraph (3).

28 (3) OHS may expend not more than 5 percent of the revenue
29 derived from imposition of the fee to cover its administrative
30 costs incurred as a result of implementing this section, including
31 but not limited to, repaying any loans from the General Fund
32 made under subdivision (d).

33 (d) OHS may receive a loan from the General Fund to
34 implement this section pending receipt of revenue generated
35 from imposition of the fee. Any loan received under this
36 subdivision shall be repaid not more than one year after receipt of
37 the loan, with the funds described in paragraph (3) of subdivision
38 (c).

1 (e) On or before January 1, 2007, OHS shall establish a grant
2 program to fund proposals from public or private entities to
3 improve freight security at the state's ports and harbors.

4 (f) (1) OHS shall allocate funds under this section on a
5 quarterly basis.

6 (2) All funds received by OHS under this section shall be
7 allocated not more than one year after receipt.

8 (g) It is the intent of the Legislature to authorize OHS to issue
9 revenue bonds funded with revenue derived from imposition of
10 the fee to generate additional revenue for the purposes of this
11 section.

12 (h) OHS may prohibit a person who has failed to comply with
13 the requirements of this section from future use of state ports and
14 harbors.

15 (i) (1) On or before June 1, 2006, OHS shall provide a report
16 to the Governor and the Legislature regarding administrative
17 actions that would facilitate implementation of this section.

18 (2) On or before January 1, 2008, OHS shall report to the
19 Governor and the Legislature regarding the appropriate amount
20 for a fee on noncontainerized cargo to fund security
21 improvements at state ports and harbors.

22 (j) OHS may collaborate with other governmental entities to
23 implement this section.

Introduced by Senator Lowenthal

February 22, 2005

An act to add Section 1745 to the Harbors and Navigation Code, relating to ports.

LEGISLATIVE COUNSEL'S DIGEST

SB 760, as introduced, Lowenthal. Ports: congestion relief: security enhancement: environmental mitigation: user fee.

(1) Existing law regulates the operation of ports and harbors.

This bill would impose on each shipping container processed in the Port of Los Angeles and the Port of Long Beach a fee of \$30 per twenty-foot equivalent unit (TEU), payable to the port by the marine terminal operator processing the container.

The bill would require the ports to retain 1/3 of the funds derived from imposition of the fee and transmit the remaining 2/3 in the amount of 1/2 to the California Transportation Commission and 1/2 to the South Coast Air Quality Management District.

The bill would require the commission to use the funds received under these provisions to alleviate congestion on the highways serving the ports by improving the rail system that transports shipments from and to those ports and the on-dock rail facilities at those ports.

The bill would prohibit commission from using the funds to construct, maintain, or improve highways.

The bill would require the commission to consult with the transportation commissions for the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura in the process for selecting projects for funding.

The bill would require the ports to use the funds retained as specified above exclusively for the purpose of funding projects to

improve the security of the ports, including the screening of shipping containers.

The bill would require the ports, in selecting projects for funding, to consult with the United States Coast Guard, the federal Department of Homeland Security, the Office of Homeland Security, and other state and federal agencies that may assist the ports in determining which projects are best suited to protecting the ports and their surrounding communities.

The bill would require the South Coast Air Quality Management District to use the funds received under these provisions to mitigate environmental pollution caused by the movement of cargo to and from the ports via commercial motor vehicles, ocean-going vessels, and rail.

The bill would authorize projects funded by the district to be limited to reducing emission from sources located at the ports, to include replacing highly-polluting engines with cleaner engines and retiring the engines that have been replaced, assisting the ports with implementing or enhancing the use of cold-iron technology, and other projects that the district determines reduce emissions from sources located at the ports.

The bill would establish a state-mandated local program by imposing these additional duties upon the ports.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1745 is added to the Harbors and
- 2 Navigation Code, to read:
- 3 1745. (a) The Legislature hereby finds and declares all of the
- 4 following:

1 (1) There is a need to mitigate the enormous burden imposed
2 on the highway transportation system serving the Ports of Los
3 Angeles and Long Beach by the overland movement of cargo
4 shipped from and to those ports.

5 (2) Due to unanticipated growth at the ports and new federal
6 security requirements that are applicable to those ports, it is
7 necessary to enhance the security of the ports.

8 (3) The operation of the ports causes environmental pollution
9 that requires mitigation.

10 (4) Accordingly, it is the intent of the Legislature to alleviate
11 these burdens by imposing a fee on shipping containers
12 processed through those ports and using the funds derived
13 therefrom to do all of the following:

14 (A) Improve the rail system that serves as an alternative to
15 shipping via the highway by commercial vehicle, including, but
16 not limited to, the on-dock rail facilities at those ports.

17 (B) Enhance the security at the ports.

18 (C) Mitigate the environmental pollution caused by port
19 operations.

20 (b) There is hereby imposed on each shipping container
21 processed in the Port of Los Angeles and the Port of Long Beach
22 a fee of thirty dollars (\$30) per twenty-foot equivalent unit
23 (TEU), payable to the port by the marine terminal operator
24 processing the container.

25 (c) The Port of Los Angeles and the Port of Long Beach shall
26 retain one-third of the funds received under subdivision (b) and
27 shall transmit the remaining two-thirds on a quarterly basis as
28 follows:

29 (1) One-half to the California Transportation Commission.

30 (2) One-half to the South Coast Air Quality Management
31 District.

32 (d) (1) The California Transportation Commission shall use
33 the funds received under paragraph (1) of subdivision (c) to
34 alleviate congestion on the highways serving the Ports of Los
35 Angeles and Long Beach by improving the rail system that
36 transports shipments from and to those ports and the on-dock rail
37 facilities at those ports.

38 (2) The funds received by the commission shall not be used to
39 construct, maintain, or improve highways.

1 (3) In the process for selecting projects for funding under this
2 subdivision, the commission shall consult with the transportation
3 commissions for the Counties of Los Angeles, Orange, Riverside,
4 San Bernardino, and Ventura.

5 (4) Projects that may be funded under this subdivision include,
6 but are not limited to, all of the following:

7 (A) Rail grade separations to relieve highway congestion.

8 (B) Expansion of on-dock rail facilities.

9 (C) Other projects that facilitate the movement of cargo by rail
10 and thus alleviate congestion on highways serving the ports.

11 (e) (1) The ports shall use the funds retained under subdivision
12 (c) exclusively for the purpose of funding projects to improve the
13 security of the ports, including, but not limited to, the screening
14 of shipping containers.

15 (2) In selecting projects for funding under this subdivision, the
16 ports shall consult with the United States Coast Guard, the
17 federal Department of Homeland Security, the Office of
18 Homeland Security, and other state and federal agencies that may
19 assist the ports in determining which projects are best suited to
20 protecting the ports and their surrounding communities.

21 (f) (1) The South Coast Air Quality Management District shall
22 use the funds received under paragraph (2) of subdivision (c) to
23 mitigate environmental pollution caused by the movement of
24 cargo to and from the ports via commercial motor vehicles,
25 ocean-going vessels, and rail.

26 (2) Projects funded by the district under this subdivision shall
27 be limited to reducing emission from sources located at the ports
28 and may include, but need not be limited to, all of the following:

29 (A) Replacing high-polluting engines with cleaner engines and
30 retiring the engines that have been replaced.

31 (B) Assisting the ports with implementing or enhancing the
32 use of cold-iron technology.

33 (C) Other projects that the district determines reduce
34 emissions from sources located at the ports.

35 SEC. 2. If the Commission on State Mandates determines that
36 this act contains costs mandated by the state, reimbursement to
37 local agencies and school districts for those costs shall be made
38 pursuant to Part 7 (commencing with Section 17500) of Division
39 4 of Title 2 of the Government Code.

AMENDED IN SENATE APRIL 12, 2005

AMENDED IN SENATE APRIL 4, 2005

SENATE BILL

No. 601

Introduced by Senator Soto

February 18, 2005

An act to add Chapter 13.1 (commencing with Section 8890) to Division 1 of Title 2 of the Government Code, relating to transportation by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 601, as amended, Soto. Build California Bond Act of 2006.

Existing law, the Traffic Congestion Relief Act of 2000, creates the Traffic Congestion Relief Fund and continuously appropriates its revenue to the Department of Transportation for projects to relieve traffic congestion and to provide additional funding for local street and road deferred maintenance.

This bill would enact the Build California Bond Act of 2006 to authorize \$3 billion in state general obligation bonds for specified projects, including construction of highway and public transportation projects that are significant for the state, reduce congestion, provide for safety and facilitate the movement of goods into, through, and out of state.

The bill would require the Secretary of State to submit the proposed bond measure to the voters at the next statewide election.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Our state's highways, public transportation systems, and
4 rail systems drive our economy, enabling all industries to achieve
5 growth and productivity that makes California strong and
6 prosperous.

7 (b) The establishment, maintenance, and improvement of the
8 state's transportation network is a priority; for economic,
9 environmental, energy, security, and other reasons.

10 (c) The ability to move people and goods is critical to
11 maintaining state, metropolitan, rural, and local economies.

12 (d) The construction of infrastructure requires the skills of
13 numerous occupations, including those in the contracting,
14 engineering, planning and design, materials supply,
15 manufacturing, distribution, and safety industries.

16 (e) Investing in transportation infrastructure creates long-term
17 capital assets for the nation that will help California address its
18 enormous infrastructure needs and improve its economic
19 productivity.

20 (f) Investment in transportation infrastructure creates jobs and
21 spurs economic activity to put people back to work and stimulate
22 the economy.

23 (g) Every \$1 billion in transportation investment has the
24 potential to create up to 47,500 jobs.

25 (h) Every dollar invested in the nation's transportation
26 infrastructure yields at least five dollars and seventy cents
27 (\$5.70) in economic benefits because of reduced delays,
28 improved safety, and reduced vehicle operating costs.

29 (i) The proposed increases to the Transportation Equity Act
30 for the 21st Century (TEA-21) will not be sufficient to
31 compensate for the state's transportation infrastructure deficit.

32 (j) The purpose of this act is to provide financing for
33 long-term infrastructure capital investments that are not currently
34 being met by existing transportation and infrastructure
35 investment programs, including projects of state significance,
36 multistate transportation corridors, intermodal transportation
37 facilities, and transportation and security improvements to
38 highways, public transportation systems, and rail systems.

SEC. 2. Chapter 13.1 (commencing with Section 8890) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 13.1. BUILD CALIFORNIA BOND ACT OF 2006

Article 1. General Provisions

8890. This chapter shall be known, and may be cited, as the Build California Bond Act of 2006.

Article 2. Build California Bond Finance Program

8890.10. (a) The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Build California 2006 Construction Bond Fund, which is hereby established in the State Treasury. Unless otherwise specified, the money in the fund shall be available for appropriation by the Legislature, in the manner set forth in this chapter.

(b) Moneys in the fund shall be used for qualified projects, projects of regional and national significance, and for the design and construction of highway and public transportation projects that are significant for the state, reduce congestion, provide for safety, and facilitate the movement of goods into, through, and out of the state.

8890.11. For purposes of this chapter, the following definitions shall apply:

(a) "Qualified project" means any highway project approved by the California Transportation Commission that is:

(1) A project of regional or national significance that enhances the movement of goods or services, *including, but not limited to, truck lanes and railroad highway grade separations.*

(2) A multistate corridor program.

(3) Border planning, operations, technology, and capacity improvement program.

(4) A freight intermodal connector project.

(b) "Projects of regional and national significance" means the eligible costs of any surface transportation project which is eligible for federal assistance under Title 23 of the United States Code, including any freight rail project and activity eligible under that title.

1 (c) "Eligible activities" means:

2 (1) Highway and multimodal planning or environmental
3 studies.

4 (2) Cross-border port of entry and safety inspections
5 improvements, including operational enhancements and
6 technology applications.

7 (3) Technology and information exchange activities.

8 (4) Right-of-way acquisition, design, and construction, as
9 needed to implement the enhancements to decrease air pollution
10 emissions from vehicles or inspection facilities at border
11 crossings, or to increase highway capacity at or near international
12 borders.

13
14 Article 3. Fiscal Provisions

15
16 8890.15. ~~(a)~~ Bonds in the total amount of \$3 billion, or so
17 much thereof as is necessary, not including the amount of any
18 refunding bonds, or so much thereof as is necessary, may be
19 issued and sold to provide funds to be used for carrying out the
20 purposes expressed in this chapter and to be used to reimburse
21 the General Obligation Bond Expense Revolving Fund pursuant
22 to Section 16724.5 of the Government Code. The bonds, when
23 sold, shall be and constitute a valid and binding obligation of the
24 State of California, and the full faith and credit of the State of
25 California is hereby pledged for the punctual payment of both
26 principal of, and interest on, the bonds as the principal and
27 interest become due and payable.

28 8890.16. The bonds authorized by this chapter shall be
29 prepared, executed, issued, sold, paid, and redeemed as provided
30 in the State General Obligation Bond Law (Chapter 4
31 (commencing with Section 16720) of Part 3 of Division 4 of Title
32 2 of the Government Code) and all of the provisions of that law
33 apply to the bonds and to this chapter and are hereby
34 incorporated in this chapter as though set forth in full in this
35 chapter.

36 8890.17. (a) For the purposes of authorizing the issuance of a
37 sale pursuant to the State General Obligation Bond Law of the
38 bonds authorized by this chapter, the Build California Bond 2006
39 Finance Committee is hereby established. The committee shall
40 consist of the Chair of the California Infrastructure and

1 Economic Development Bank (I-Bank), the Treasurer, the
2 Controller, two members appointed by the Legislature (one-
3 Senate, one- Assembly), three private industry members
4 appointed by the Governor—and, a member of the California
5 Transportation Commission, and two members from the
6 California Association of Governments, one of whom represents
7 the regional transportation authorities and the other of whom
8 represents the metropolitan planning organizations.

9 (b) The committee shall determine whether or not it is
10 necessary or desirable to issue bonds authorized pursuant to this
11 chapter in order to carry out the program prescribed and, if so,
12 the amount of bonds to be issued and sold. Successive issues of
13 bonds may be authorized and sold to carry out those actions
14 progressively, and it is not necessary that all of the bonds
15 authorized to be issued be sold at any one time.

16 8890.18. There shall be collected each year and in the same
17 manner and at the same time as other state revenue is collected,
18 in addition to the ordinary revenues of the state, a sum in an
19 amount required to pay the principal of, and interest on, the
20 bonds each year. It is the duty of all officers charged by law with
21 any duty in regard to the collection of the revenue to do and
22 perform each and every act that is necessary to collect that
23 additional sum.

24 8890.19. Notwithstanding Section 13340 of the Government
25 Code, there is hereby appropriated from the General Fund in the
26 State Treasury, for the purposes of this chapter, an amount that
27 will equal the total of the following:

28 (a) The sum annually necessary to pay the principal of, and
29 interest on, bonds issued and sold pursuant to this chapter, as the
30 principal and interest become due and payable.

31 (b) The sum necessary to carry out Section 129636, which
32 sum shall be appropriated without regard to fiscal years.

33 8890.20. For purposes of carrying out this chapter, the
34 Director of Finance may authorize the withdrawal from the
35 General Fund of an amount not to exceed the amount of the
36 unsold bonds that have been authorized by the committee to be
37 sold for the purpose of carrying out this chapter. Any amounts
38 withdrawn shall be deposited in the fund. Any money made
39 available under this section shall be returned to the General Fund

1 from proceeds received from the sale of bonds for the purpose of
2 carrying out this chapter.

3 8890.21. All money deposited in the fund that is derived from
4 premium and accrued interest on bonds sold shall be reserved in
5 the fund and shall be available for transfer to the General Fund as
6 a credit to expenditures for bond interest.

7 8890.22. Pursuant to Chapter 4 (commencing with Section
8 16720) of Part 3 of Division 4 of Title 2 of the Government
9 Code, the cost of bond issuance shall be paid out of the bond
10 proceeds. These costs shall be shared proportionately by each
11 program funded through this bond act.

12 8890.23. The committee may request the Pooled Money
13 Investment Board to make a loan from the Pooled Money
14 Investment Account, including other forms of interim financing
15 that include, but are not limited to, commercial paper, in
16 accordance with Section 16312 of the Government Code, for the
17 purposes of carrying out this chapter. The amount of the request
18 shall not exceed the amount of the unsold bonds that the
19 committee, by resolution, has authorized to be sold for the
20 purpose of carrying out this chapter. The committee shall execute
21 any documents required by the Pooled Money Investment Board
22 to obtain and repay the loan. Any amounts loaned shall be
23 deposited in the fund to be allocated by the office in accordance
24 with this chapter.

25 8890.24. The bonds may be refunded in accordance with
26 Article 6 (commencing with Section 16780) of Chapter 4 of Part
27 3 of Division 4 of Title 2 of the Government Code, which is part
28 of the State General Obligation Bond Law. Approval by the
29 voters of the state for the issuance of the bonds described in this
30 chapter includes the approval of the issuance of any bonds issued
31 to refund any bonds originally issued under this chapter or any
32 previously issued refunding bonds.

33 8890.25. Notwithstanding any other provision of this chapter
34 or of the State General Obligation Bond Law, if the Treasurer
35 sells bonds pursuant to this chapter that include a bond counsel
36 opinion to the effect that the interest on the bonds is excluded
37 from gross income for federal tax purposes, subject to designated
38 conditions, the Treasurer may maintain separate accounts for the
39 investment of bond proceeds and for the investment of earnings
40 on those proceeds. The Treasurer may use or direct the use of the

1 proceeds or earnings to pay any rebate, penalty, or other payment
2 required under federal law or take any other action with respect
3 to the investment and use of those bond proceeds required or
4 desirable under federal law to maintain the tax-exempt status of
5 those bonds and to obtain any other advantage under federal law
6 on behalf of the funds of this state.

7 8890.26. The Legislature hereby finds and declares that,
8 inasmuch as the proceeds from the sale of bonds authorized by
9 this chapter are not "proceeds of taxes" as that term is used in
10 Article XIII B of the California Constitution, the disbursement of
11 these proceeds is not subject to the limitations imposed by that
12 article.

13 SEC. 3. Section 2 of this act shall take effect upon the
14 approval by the voters of the Build California Bond Act of 2006.

15 SEC. 4. This act shall be submitted to the voters at the next
16 statewide election in accordance with the provisions of the
17 Government Code and the Elections Code governing the
18 submission of a statewide measure to the voters.

19 SEC. 5. (a) Notwithstanding any other provision of law, all
20 ballots of the election shall have printed thereon and in a square
21 thereof, the words: "Build California Bond Act of 2006," and in
22 the same square under those words, the following in 8-point type:
23 "This act provides for a bond issue of \$3 billion to provide funds
24 ~~for construction, retrofit, and replacement of hospital facilities.~~"
25 *for construction of transportation projects to enhance the*
26 *movement of goods and to reduce traffic congestion."* Opposite
27 the square, there shall be left spaces in which voters may place a
28 cross in the manner required by law to indicate whether they vote
29 for or against the act.

30 (b) Where voting in the election is done by means of voting
31 machines used pursuant to law in a manner that carries out the
32 intent of this section, the use of the voting machines and the
33 expression of the voters' choice by means thereof are in
34 compliance with this act.

ASSEMBLY BILL

No. 1552

Introduced by Assembly Member La Suer

February 22, 2005

An act to amend Section 132351.1 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1552, as introduced, La Suer. San Diego Consolidated Transportation Agency.

Existing law establishes the San Diego Consolidated Transportation Agency and provides that it is the designated transportation agency for its area. Existing law provides that the consolidated agency is governed by a board of 20 members selected from specified areas within the county.

This bill would include another county member the chair of the San Diego County Board of Supervisors is an appointed representative on the board and he or she is from a district that is substantially an incorporated or unincorporated area. The bill would make related changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 132351.1 of the Public Utilities Code is
- 2 amended to read:
- 3 132351.1. (a) A board of directors consisting of 20 members
- 4 shall govern the consolidated agency.

1 (b) All powers, privileges, and duties vested in or imposed
2 upon the consolidated agency shall be exercised and performed
3 by and through a board of directors provided, however, that the
4 exercise of all executive, administrative, and ministerial power
5 may be delegated and redelegated by the board, to any of the
6 offices, officers, or committees created pursuant to this chapter or
7 created by the board acting pursuant to this chapter.

8 (c) The board shall be composed of one primary representative
9 selected by the governing body of each city in the county and a
10 member of the San Diego County Board of Supervisors to serve
11 until recalled by the governing body of the city or county. The
12 City of San Diego shall have two primary representatives. Each
13 director shall be a mayor, councilperson, or supervisor of the
14 governing body which selected him or her. Vacancies shall be
15 filled in the same manner as originally selected. Each city or
16 county shall also select in the same manner as the primary
17 representative one alternate to serve on the board when the
18 primary representative is not available. The alternate shall be
19 subject to the same restrictions and have the same powers, when
20 serving on the board, as the primary representative.

21 (d) At its discretion, each city and county may select a second
22 alternate, in the same manner as the primary representative, to
23 serve on the board in the event that neither the primary
24 representative nor the regular alternate is able to attend a meeting
25 of the board. This alternate shall be subject to the same
26 restrictions and have the same powers, when serving on the
27 board, as the primary representative.

28 (e) The board may allow for the appointment of advisory
29 representatives to sit with the board but in no event shall said
30 representatives be allowed a vote. The current advisory
31 representatives to the San Diego Association of Governments
32 may continue his or her advisory representation on the
33 consolidated agency at their discretion. The County of Imperial
34 and the cities in that county may collectively designate an
35 advisory representative to sit with the board.

36 (f) *Notwithstanding subdivision (a), in those years when the*
37 *chair of the San Diego County Board of Supervisors is from a*
38 *district that is substantially an incorporated area and is*
39 *appointed the representative to the board, a supervisor that*
40 *represents a district that is substantially an unincorporated area*

1 *shall also be appointed to the board. Alternatively, in those years*
2 *when the chair of the San Diego County Board of Supervisors is*
3 *from a district that is substantially an unincorporated area and is*
4 *appointed the representative to the board, a supervisor that*
5 *represents a district that is substantially an incorporated area*
6 *shall also be appointed to the board. For voting purposes, the*
7 *county vote on the board shall remain with the chair, but when a*
8 *weighted vote is used the vote shall be divided equally between*
9 *the two members. The county vote and the full weighted vote*
10 *shall transfer to the sole member present if the other member is*
11 *absent during a board vote.*

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AMENDED IN ASSEMBLY MARCH 29, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 426

Introduced by Assembly Member Bogh
(Principal coauthor: Assembly Member Benoit)

February 15, 2005

An act to add Section 21655.1 to the Vehicle Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 426, as amended, Bogh. HOV lanes.

Existing law authorizes the Department of Transportation or local agencies with respect to highways under their respective jurisdictions to designate certain lanes for exclusive use by high-occupancy vehicles (HOVs).

This bill would require the department and local agencies to convert all HOV lanes *on state highways in the County of Riverside* that currently operate on a 24-hour basis into part-time HOV lanes that operate as mixed-flow lanes except during peak periods, subject to any required approvals of the federal government.

~~The bill would thereby impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~yes~~-no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 21655.1 is added to the Vehicle Code,
- 2 to read:
- 3 21655.1. ~~The department and local authorities, with respect to~~
4 ~~highways under their respective jurisdictions~~ *state highways in*
5 *the County of Riverside*, shall convert all high-occupancy vehicle
6 lanes that currently operate on a 24-hour basis into part-time
7 high-occupancy vehicle lanes that operate as mixed-flow lanes
8 except during peak periods, subject to any required approvals of
9 the federal government.
- 10 ~~SEC. 2. If the Commission on State Mandates determines that~~
11 ~~this act contains costs mandated by the state, reimbursement to~~
12 ~~local agencies and school districts for those costs shall be made~~
13 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
14 ~~4 of Title 2 of the Government Code.~~

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